

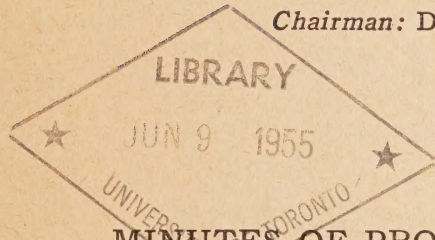
CAI  
XC 2  
- 1955  
B 65

Government  
Publications

HOUSE OF COMMONS  
Second Session—Twenty-second Parliament  
1955

SPECIAL COMMITTEE  
ON  
**BROADCASTING**

Chairman: Dr. PIERRE GAUTHIER



MINUTES OF PROCEEDINGS AND EVIDENCE  
No. 10

TUESDAY, MAY 24, 1955

WITNESS:

Mr. J. T. Allard, Executive Vice-President of the Canadian Association  
of Radio and Television Broadcasters.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1955.



SPECIAL COMMITTEE ON BROADCASTING

*Chairman:* Dr. Pierre Gauthier

*Vice-Chairman:* Mr. G. D. Weaver

and

Messrs.

Balcer	Fleming	McCann
Beaudry	Gauthier ( <i>Nickel Belt</i> )	Monteith
Boisvert	Goode	Reinke
Bryson	Hansell	Richard ( <i>Ottawa East</i> )
Carter	Henry	Richardson
Cauchon	Holowach	Robichaud
Decore	Kirk ( <i>Shelburne-</i>	Studer
Diefenbaker	<i>Yarmouth-Clare</i> )	.
Dinsdale	Knight	

R. J. Gratrix,  
*Clerk of the Committee.*



CA1  
XC 2  
- 1955  
B65

## MINUTES OF PROCEEDINGS

FRIDAY, MAY 20, 1955.

The Special Committee on Broadcasting entrained for Montreal at 7.40 o'clock a.m. and met in the Radio-Canada Building at 11.15 o'clock a.m.

*Members present:* The Chairman, Dr. Pierre Gauthier, the Vice-Chairman, Mr. G. D. Weaver and Messrs. Balcer, Bryson, Carter, Dinsdale, Fleming, Goode, Holowach, Knight, McCann, Monteith, Richard (*Ottawa East*), Richardson and Robichaud.

*CBC officials in attendance:*

*From Ottawa:* Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, E. L. Bushnell, Assistant General Manager, H. Bramah, Treasurer, R. C. Fraser, Director of Press and Information, J. P. Gilmore, Coordinator of Television, M. Carter, Executive Assistant, R. P. Landry, Controller of Administration, and P. Meggs, Assistant to the Director of Press and Information.

*From Montreal:* Messrs. A. Séguin, Director for the Province of Quebec, G. Lamarche, Director of Programmes, H. Audet, Regional Engineer, A. Ouimet, Director of T. V., M. Valiquette, Commercial Manager (*French*), M. Goudrault, Supervisor of Station Relations, J. Saint-Georges, Director of Radio, R. Elie, Supervisor of Press and Information (*French*), J. E. Hayes, Chief Engineer, C. Delafield, Director of International Service.

The Committee was welcomed by Mr. Séguin.

A tour of inspection of the Radio-Canada Building was then made.

After a buffet luncheon, the Committee made a tour of the other CBC installations located in various parts of the city. Several rehearsals were watched, the background preparation necessary to the production of a television performance was explained and the actual preparation of stage sets was examined.

The Committee inspected the various pieces of technical equipment used in T. V. Broadcasting, the purposes of which were explained, and watched the production of one episode of the Plouffe Family (*English*) and a news programme.

A mobile TV Unit was inspected and a trip made to the CBC transmitter located on Mount Royal.

The Committee was invited to dinner at Le Cercle Universitaire, where the Committee watched a television news programme featuring the Chairman, Dr. Pierre Gauthier, in an interview on the work of the Committee and its reasons for visiting Montreal.

The Chairman expressed the appreciation of the Committee to the CBC for a very interesting and instructive tour.

The Honourable Dr. McCann, as the responsible Minister, expressed his appreciation to the officers and staff of the CBC for the efforts put forth in making the visit of the parliamentary Committee a most successful one.

The Committee entrained for Ottawa at 9 o'clock p.m., arriving in Ottawa at 11.45 o'clock p.m., and adjourned to meet again at 11.00 o'clock a.m. Tuesday, May 24, 1955.

R. J. Gratrix,  
Clerk of the Committee.



ROOM 118,  
TUESDAY, May 24, 1955.

The Special Committee on Broadcasting met at 11.00 o'clock a.m. this day. Dr. Pierre Gauthier, Chairman, presided.

*Members present:* Messrs. Boisvert, Carter, Dinsdale, Fleming, Gauthier (*Portneuf*), Gauthier (*Nickel Belt*), Goode, Henry, Holowach, Kirk (*Shelburne-Yarmouth-Clare*), Knight, McCann, Monteith, Reinke, Richard (*Ottawa East*), Richarson, Robichaud.

*In attendance from the Canadian Association of Radio and Television Broadcasters:* Messrs. J. M. Davidson, president, Toronto; J. A. Dupont, Vice-President, Montreal; the following Directors, F. H. Elphicke, Vancouver, B.C.; H. A. Crittenden, Regina; W. Slatter, Guelph; W. T. Cruickshank, Wingham; J. E. Campeau, Windsor; D. A. Gourd, Rouyn; F. A. Lynds, Moncton, N.B.; John Hirtle, Bridgewater, N.S.; Maurice Finnerty, Penticton, B.C. and J. T. Allard, Ottawa, Executive Vice-President.

*From the Canadian Broadcasting Corporation:* Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, G. R. Young, Director of Station Relations, R. C. Fraser, Director of Press and Information, M. Carter, Executive Assistant, P. Meggs, Assistant to Director of Press and Information, C. McKee, Assistant Industrial Relations Officer, R. E. Keddy, Secretary, Board of Governors.

*From the Department of Transport:* Mr. F. K. Foster, Broadcasting Regulations Inspector.

Mr. Davidson was called and introduced the members of his delegation and retired.

Mr. Allard was called and read a brief, copies of which had been previously distributed to members of the Committee.

The witness tabled the following documents:

1. List of officers and Directors of The Canadian Association of Radio and Television Broadcasters.
2. List of member Stations of The Canadian Association of Radio and Television Broadcasters.

*Ordered,*—That said documents be printed as an Appendix to this day's evidence. (*See Appendix "A"*).

At 1.05 o'clock p.m., the examination of the witness still continuing, the Committee adjourned to meet again at 3.30 o'clock p.m. this day.

#### AFTERNOON SITTING

ROOM 118,  
TUESDAY, MAY 24, 1955.

The Committee resumed at 3.30 o'clock p.m. Dr. Pierre Gauthier, Chairman, presided.

*Members present:* Messrs. Boisvert, Bryson, Carter, Cauchon, Fleming, Gauthier (*Portneuf*), Gauthier (*Nickel Belt*), Goode, Henry, Holowach, Kirk (*Shelburne-Yarmouth-Clare*), Knight, Monteith, Reinke, Richard (*Ottawa East*), Richardson, Robichaud, Weaver.



*In attendance:* The same officials and officers of the C.A.R.T.B. as were in attendance at morning sitting.

*From the Canadian Broadcasting Corporation:* Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Corry, Member, Board of Governors, J. A. Ouimet, General Manager, E. L. Bushnell, Assistant General Manager, George Young, Director, Station Relations, R. C. Fraser, Director, Press and Information, R. E. Keddy, Secretary, Board of Governors.

*From the Department of Transport:* Mr. F. K. Foster, Broadcasting Regulations Inspector.

The examination of Mr. Allard was continued, Mr. Crittenden answering questions specifically referred to him.

At 4.55 o'clock p.m. the division bells having rung, the Committee adjourned to meet again at 8.00 o'clock p.m. this day.

#### EVENING SITTING

ROOM 118,  
TUESDAY, MAY 24, 1955.

The Committee resumed at 8.00 o'clock p.m. Dr. Pierre Gauthier, Chairman, presided.

*Members present:* Messrs. Balcer, Boisvert, Carter, Dinsdale, Fleming, Gauthier (*Portneuf*), Goode, Henry, Holowach, Knight, McCann, Monteith, Richard (*Ottawa East*), Richardson, Robichaud, Weaver.

*In attendance:* The same officials and officers of the C.A.R.T.B. as were in attendance at afternoon sitting.

*From the Canadian Broadcasting Corporation:* Messrs. A. Davidson Dunton, Chairman, J. A. Ouimet, General Manager, E. L. Bushnell, Assistant General Manager, G. R. Young, Director, Station Relations, R. C. Fraser, Director, Press and Information, R. E. Keddy, Secretary, Board of Governors.


*From the Department of Transport:* Mr. F. K. Foster, Broadcasting Regulations Inspector.

The examination of Mr. Allard was continued, Messrs. Elphicke and Finnerty answering questions specifically referred to them.

At 10.05 o'clock p.m. the examination of the witness being concluded he was retired, and the Committee adjourned to meet again at 11.00 o'clock a.m. Thursday, May 26, 1955.

R. J. Gratrix,  
Clerk of the Committee.





Digitized by the Internet Archive  
in 2024 with funding from  
University of Toronto

<https://archive.org/details/31761115257685>



## EVIDENCE

MAY 24, 1955

11.00 a.m.

The CHAIRMAN: Gentlemen, I see a quorum.

Mr. FLEMING: Mr. Chairman, on a question of privilege. One of the Montreal papers in reporting on the visit this committee made to Montreal last Friday contains a Canadian press dispatch reading as follows:

Revenue Minister McCann and 15 members of the 26-man parliamentary committee on Radio and Television visited C.B.C. installations here Friday,

—as I say, the report comes from Montreal—

and were briefed on television and radio production.

A. D. Dunton, chairman of the C.B.C. board of governors and Arthur Seguin, C.B.C.'s Quebec director, welcomed the party. The group toured the C.B.C.'s downtown headquarters as well as rehearsal and storage buildings and radio and television transmitters atop Mount Royal.

Of course, no one can take any exception to that. It is a perfectly accurate report up to that point, but this is what follows:

Mr. McCann later told reporters the visit was "to make members of the committee who have been criticizing the C.B.C. more conversant with what they are talking about. They are here to find out what makes the C.B.C. click and I think they know now that every cent that is being spent is being spent for good reason.

Now, of course, as a statement of the purpose of the visit to the C.B.C. installations in Montreal that is just nonsense. The purpose of the visit was to do what preceding parliamentary committees on radio have done without exception, that is, to go and see first hand what the C.B.C. is doing in Montreal. The last committee went to Toronto to see the C.B.C. operations and installations there, but it is a visit that is made in pursuance of the instructions of parliament to the committee to review the policies and aims of the corporation, its regulations, revenues, expenditures and development, and it is highly improper, I submit, for any member of the committee to undertake to make a statement that the purpose of the visit of the committee is as Dr. McCann is reported to have said, "To make members of the committee who have been criticizing the C.B.C. more conversant with what they are talking about." I think that the members—certainly those who have had occasion to criticize the government policy in relation to the C.B.C.—did not expect to derive anything more from the visit than anyone else. It is the sort of thing that is done for the instruction of all the members of the committee in pursuance of their duty to see what the C.B.C. is doing. We all recognize that the C.B.C. during the course of these visits is most cooperative and they are always happy to show members of the committee what they are doing down there. These visits have always been regarded as a very essential feature of the work of the committee, and I do hope we will not have any more nonsensical statements attempting to describe the purpose of the visit of the committee in absurd terms like this.



The CHAIRMAN: Dr. McCann is not here this morning.

Mr. FLEMING: I am sorry, because I would have liked him to hear what I had to say.

The CHAIRMAN: If you want to ask him questions concerning that expression of opinion you will have to take it up when he is here, that is all I have to say. Have any other members of the committee anything to say?

Mr. GOODE: I hope, Mr. Chairman, that the direct quotation from the good doctor is not correct as it is reported in the paper. I am one who, regardless of the side on which I sit in the House, has taken occasions to perhaps not entirely criticize, but to take a different side from Dr. McCann in regard to the single unit policy of the C.B.C. I rather agree with you that we should allow Dr. McCann to answer, but when he does come here to answer I would hope that he would be able to say this is not a direct quotation of his or I will have more criticism to offer, too!

The CHAIRMAN: We will now leave the matter until he is here.

Mr. RICHARDSON: Dr. McCann can take care of himself.

Mr. GOODE: So can I!

Mr. RICHARDSON: May I make an observation at this point? As the member for St. Lawrence-St. George in which the facilities of the C.B.C. which we visited last Friday are located, I would like for myself certainly and speaking for no one else—although I would rather hope that I speak for all members of the committee who visited in Montreal—to say how grateful we are for the hospitality and the information we received there. Whether there should be some descriptive words in support of that, I know not, but I am grateful for the hospitality and the information that the C.B.C. gave to us through their officials on Friday, and I should like to join with the committee in expressing gratitude for the excellent work which Mr. Gratrix our clerk has performed at all times. I believe the visit was most helpful to those of us who know very little about the work of the C.B.C. and I think the visit was very much worth while.

Mr. HOLOWACH: Our committee is made up of members from various political parties and I should like to associate myself with the words of appreciation that have been expressed to those who were responsible for the very enjoyable visit to the Radio Canada building in Montreal last Friday. We realize that a great deal of effort and time is involved in making such preparation, and I think it is proper at this time to thank the officials, not only for their hospitality but for the courtesy they extended to us.

I have one more point to make. You will recall that at a previous meeting Mr. Hansell, my colleague and our friend, did bring up in this committee during the examination of the expenditures of one department of the C.B.C. the thought that we should not be too harsh with the C.B.C. by reason of the fact that when we did visit Montreal we might be served only porridge and at the last dinner which we had at the University Club porridge was served. I remember at that particular moment that several sharp glances were turned in my direction, one of the sharpest of which came from Mr. Goode. I think we should preserve the sequence of our hearing, and continue blaming the C.B.C. in this case for having taken Mr. Hansell so literally.

Mr. GOODE: May I point out to Mr. Holowach that my sharp glances on that occasion were not in connection with the porridge, but that it is my usual procedure as far as Mr. Holowach is concerned!

Mr. FLEMING: I see that Dr. McCann has arrived, Mr. Chairman. You might think it is appropriate to ask the reporter to read what has been said on the question of privilege.



The CHAIRMAN: Would you like the reporter to read all that you have said or just the quotation from the newspaper?

Mr. FLEMING: No. I think if anything is going to be read in fairness to Dr. McCann the whole comment should be read as well.

The CHAIRMAN: Will the reporter please read what Mr. Fleming has said on the question of privilege?

(*The Reporter reads*): The following statement was made by Mr. Fleming when the committee met at 11.05 a.m.

Mr. Chairman, on a question of privilege. One of the Montreal papers in reporting on the visit this committee made to Montreal last Friday contains a Canadian press dispatch reading as follows:

Revenue Minister McCann and 15 members of the 26-man parliamentary committee on Radio and Television visited C.B.C. installations here Friday,

—as I say, the report comes from Montreal—  
and were briefed on television and radio production.

A. D. Dunton, chairman of the C.B.C. board of governors and Arthur Seguin, C.B.C.'s Quebec director, welcomed the party. The group toured the C.B.C.'s downtown headquarters as well as rehearsal and storage buildings and radio and television transmitters atop Mount Royal.

Of course, no one can take any exception to that. It is a perfectly accurate report up to that point, but this is what follows:

Mr. McCann later told reporters the visit was 'to make members of the committee who have been criticizing the C.B.C. more conversant with what they are talking about. They are here to find out what makes the C.B.C. click and I think they know now that every cent that is being spent is being spent for good reason.'

Now, of course, as a statement of the purpose of the visit to the C.B.C. installations in Montreal that is just nonsense. The purpose of the visit was to do what preceding parliamentary committees on radio have done without exception, that is to go and see first hand what the C.B.C. is doing in Montreal. The last committee went to Toronto to see the C.B.C. operations and installations there, but it is a visit that is made in pursuance of the instructions of parliament to the committee to review the policies and aims of the corporation, its regulations, revenues, expenditures and development, and it is highly improper, I submit, for any member of the committee to undertake to make a statement that the purpose of the visit of the committee is as Dr. McCann is reported to have said, "To make members of the committee who have been criticizing the C.B.C. more conversant with what they are talking about." I think that the members—certainly those who have had occasion to criticize the government policy in relation to the C.B.C.—did not expect to derive anything more from the visit than anyone else. It is the sort of think that is done for the instruction of all the members of the committee in pursuance of their duty to see what the C.B.C. is doing. We all recognize that the C.B.C. during the course of these visits is most cooperative and they are always happy to show members of the committee what they are doing down there. These visits have always been regarded as a very essential feature of the work of the committee, and I do hope we will not have any more nonsensical statements attempting to describe the purpose of the visit of the committee in absurd terms like this.



Hon. Mr. McCANN: Mr. Chairman, I was not interviewed by any press man at any time and I made no such comments. If those words were spoken, they were spoken by someone else whom they must have thought was me.

The CHAIRMAN: That clears up the situation.

Hon. Mr. McCANN: I have one simple comment to make. Mr. Fleming is quite right and within his province in raising the objection, but they cannot pin it on me because I was not interviewed by any press man and I made absolutely no comment. In view of the fact that I was not the chairman as I used to be, I took a back place in the whole proceedings. I had seen most of it before, and I never said one word of any kind to any press man.

Mr. FLEMING: Mr. Chairman, I would like to thank Dr. McCann for making the statement he has just made because I think it alarmed a good many of us to see this comment attributed to any member of the committee. His remarks are completely reassuring and I thank him for his comments.

Hon. Mr. McCANN: Well, it is absolutely true.

Mr. RICHARDSON: Perhaps the reporter mistook Mr. Fleming for Dr. McCann!

Hon. Mr. McCANN: One man down there did salute me as Mr. Fleming. I do not know whether he was a press man or one of the employees, but that is a fact.

The CHAIRMAN: The situation has now been cleared up.

Mr. FLEMING: I must cheerfully disclaim the authorship or parentage of those remarks.

The CHAIRMAN: It is my pleasure to welcome The Canadian Association of Radio and Television Broadcasters this morning. We have with us Mr. J. M. Davidson, the president of the association, and the Executive Vice-President, Mr. T. J. Allard. I shall now ask Mr. Davidson to introduce the officials who are here with him this morning.

Mr. J. M. DAVIDSON (*President of The Canadian Association of Radio and Television Broadcasters*): Mr. Chairman, with your permission I will introduce the members of the board of directors of The Canadian Association of Radio and Television Broadcasters. My name is J. M. Davidson of Toronto and I am the president. Our vice-president is Mr. J. A. Dupont of Montreal. Other members present are Mr. F. H. Elphicke of Vancouver, Mr. H. A. Crittenden of Regina, Mr. W. Slatter of Guelph, Mr. W. T. Cruickshank of Wingham, Mr. D. A. Gourd of Rouyn, Mr. J. E. Campeau of Windsor, Mr. F. A. Lynds of Moncton, Mr. John Hirtle of Bridgewater and Mr. N. T. Finnerty of Penticton. These gentlemen constitute our board of directors. Our executive vice-president is Mr. T. J. Allard who will present our brief.

The CHAIRMAN: Now, Mr. Allard, you have the floor.

Mr. T. J. Allard, Executive Vice-President, Canadian Association of Radio and Television Broadcasters, called:

The WITNESS: Thank you, Mr. Chairman. The first page of the brief that has been submitted to the committee is merely a precis or summary of points that follow, but with your indulgence, Mr. Chairman, I will place it on the record in any event.

#### A. Summary

This brief is submitted by The Canadian Association of Radio and Television Broadcasters, whose membership includes nearly all non-government



broadcasting in Canada—128 radio broadcasting stations, and 22 television broadcasting stations. Some 25,000 Canadians depend, directly or indirectly, upon these stations for their living.

We wish to suggest that this committee consider inclusion in its report to the House of Commons recommendations that:

1. There be now permitted licensing of non-government television broadcasting stations in all areas of Canada, including Toronto, Montreal, Vancouver, Winnipeg, Ottawa and Halifax. This would now be consistent with the recommendations of the Massey Commission, with the general outline of previous government policy statements, and would give Canadians in these areas a choice of more than one television programme at one time from Canadian sources.

2. There be created an Independent Regulatory Board for Canadian broadcasting, to correct the present situation in which one body competes and regulates at the same time; to bring broadcasting regulation into harmony with parallel regulatory situations in all parts of Canada; and with like situations in every part of the democratic world, and so to create for Canadian broadcasting a regulatory structure based upon fundamental democratic principles.

The CHAIRMAN: I hope it is understood by the committee that we will follow our past procedure of directing questions following the reading of the brief. Is that agreed?

Some hon. MEMBERS: Agreed.

The WITNESS: Thank you, Mr. Chairman. The first part of our brief deals with our recommendations concerning television broadcasting in Canada.

#### *B. Television*

1. The development of Canadian Broadcasting Corporation television service and of the "single-channel" policy, has reached, and passed, the point at which grant of licence to Canadian citizens in any area was visualized by the Massey Commission and by government policy announcements.

The chairman of the Massey Commission said this, on Monday, June 11, 1951, to the Canadian Club of Montreal:

Although our report is long and involved, on only one point does there appear to be some misunderstanding. May I mention it now? My colleagues and I recommend that private television broadcasting stations be licensed only when the C.B.C. has available national programmes, some of which the private stations would use. This does not mean however, that there can be no television in say, Vancouver, or Halifax, until the C.B.C. has completed a system of national television networks, a long and costly business. We were talking of programmes. The national programmes would, of course, be in the form of films or of kinescope, which for a long time to come will no doubt form a large part of the programme material of television in Canada on all stations, whether private or C.B.C., until the time when television networks in Canada are possible.

I should interpolate at this time to point out that the underlining where it occurs in that quotation is ours.

This indicates clearly that the Massey Commission visualized granting of applications from Canadian citizens for television licences in all areas of Canada at or before the point that has now been reached.



2. The Honourable Dr. J. J. McCann, M.P., Minister of National Revenue, on Monday, March 30, 1953, in the House of Commons:

The principle of one station to an area is to apply only until an adequate national television system is developed. At the rate that applications for stations are now being received it may not be long before there is a sufficient degree of national coverage to justify the government and the C.B.C. giving consideration to permitting two and perhaps in some cases more than two stations in certain areas. It is anticipated that, in due course, private stations will be permitted in areas covered by C.B.C. stations, and the C.B.C. may establish stations in some areas originally covered by private stations.

We suggest that "in due course" has now arrived. Since the announcement above was made, C.B.C. has opened one or more television stations in all of those cities. In addition, twenty-six non-government applications have been granted, nineteen of which are now in operation and are providing service. Television service is now being provided in eight of Canada's ten provinces, and is licensed for all of them. Before the end of this year every Canadian Province should be served by one or more television stations. We suggest this is "an adequate national television system", and therefore permits of consideration of licences in all areas of Canada without exception.

Mr. RICHARDSON: May I interrupt for just a moment for the purpose of clarification. Should the sentence on page 2 which reads "Before the end of this year every Canadian province should be served by one or more television stations" be changed to read "Will be served by one or more television stations"? Do you not mean "will" instead of "should"? It is a very small point.

The WITNESS: It is our hope that the word would accurately be "will".

3. Competitive television will provide better and more effective service. It will tend to reduce, as experience in radio broadcasting has shown, the unduly large number of Canadians now regularly viewing United States television stations, in areas where only one Canadian signal is available. In the areas concerned few viewers have a second or alternative service in Canada they can turn to, so they must obtain that alternative service from American stations.

When local stations were not available, radio listening in Canada to United States stations was high. As local stations entered the lives of the various communities they gradually transferred listening habits from U. S. stations to themselves.

The element of local pride is very strong in most Canadian communities.

This trend was very marked in that large number of communities located within a hundred miles of the border. Any worthwhile local service can be performed only by local stations. Consequently, implementation of Government policy on television will transfer the regular viewing habits of substantial numbers of Canadians from U.S. to Canadian television broadcasting stations. Experience in radio broadcasting showed that full development required local broadcasting service at least as much as a national service. It also demonstrated clearly that in many ways the functions of a network system are different from those of a local station. It showed that there is intense listener loyalty to local stations and that there are important broadcasting services that can be supplied only by local stations, especially in emergencies.

Experience has also shown that competitive service greatly increases size of audience available. Competitive television service in all areas of Canada will increase the sale of television sets and this will stimulate the growth of a great new industry.



4. Granting of applications from Canadian citizens for television licences in the major cities of Canada will, in provision of additional and alternative service to owners of television receiving sets, make their investment more useful. All experience in the past has clearly demonstrated that competition increases the value of the service provided to the consumer who, in this case, is the listener or a viewer.

5. If channels available in these areas for use are not employed by Canada, there is serious danger that these or adjacent channels will be employed by the United States. Even failing this the rapid development of American television might lead to allocations or power increases, geographical shifts, or changes in technical limitations that will result in a situation where channels now available will not be useable by Canadian stations or at best would be able to provide only limited and inferior service.

Every week that goes by adds to the danger of loss or derogation of existing channels insofar as Canada is concerned. To permit their use now would assist in the further development of a Canadian television service by and for Canadians.

6. The requirements for television licensing in all areas of Canada as laid down by the Massey Commission and by government policy statements have now been met. The next forward step is immediate implementation of the policy of competitive service in all areas of Canada, permitting immediate acceptance of applications from Canadian citizens for television broadcasting licences in the six major Canadian cities.

We come now to our second point which deals with an independent or separate regulatory body.

#### *C. Separate Regulatory Body*

We wish, with respect to urge that there be created by appropriate legal machinery an Independent Regulatory Board for Canadian broadcasting. This board would not be connected with any operating broadcasting group. It would be subtended below the Minister of Transport, and would be the administrative authority recommending to the Minister on applications for grant of radio and television broadcasting licences and related matters. It would also be the authority dealing with regulations found necessary in the public interest for all Canadian broadcasting stations.

Such an Independent Regulatory Board would be consistent with (1) the basic principles established in democratic countries for regulation of publication, (2) with broadcasting's present degree of development and its present place in the community, and (3) with accepted constitutional principles.

1. Long legal and constitutional experience has solved, in democratic societies, the apparent conflict between necessity for the requirement on the one hand of the public interest for the greatest freedom from control over material published; and on the other a proper degree of legal regulation in the public interest. The reconciliation was made through means of appropriate laws passed by elected bodies, but enforced by third party judgment. In the case of the printed forms of publication, this third party is represented by the courts.

Now, broadcasting is the newest form of publication.

The law quite properly makes a sharp distinction between printing and publication. One is purely an act of manufacture, the other is distribution.

For centuries the publishers of books, magazines and newspapers were practically alone in the field. Their sole competitors were speakers on street corners and in public halls who could reach only those within range of their voices. It was a competition so small that those who used the printing press to publish became thought of as the only publishers. It is an understandable shift of emphasis but it was not and is not true.



Hundreds of years after Copernicus and Galileo proved otherwise, we still speak of the sun "rising" or "setting". Because printing was long the chief mechanical means of producing publication we still confuse the two terms. It is not the form that counts but the act itself. Thus, broadcasting is publishing and an integral part of the press.

Broadcasting, like all forms of publication, requires legal regulation in the public interest. But the method of regulation should take due account of the long established principles of third party judgment. The proposed Independent Regulatory Board meets the broad outlines of that requirement.

This brings us to our second point concerning the development and present position of all broadcasting in the community.

2. In few fields is there such urgent justification for review of existing legislation as in that of wireless communications.

Few fields have developed with such amazing speed in so short a time. In little more than a quarter century we have come from the battery and the crystal set to the transistor and radar.

Yet, virtually all legislation pertaining to wireless communications is based upon broadcasting's development and position more than a quarter century ago—when this form of mass communication was in its infancy, when broadcasting's development and its present place in the community could not have been foreseen.

When the Aird Report was written in 1929 (at the start of the depression) there were 65 non-government radio broadcasting stations in Canada. Today there are 150 such radio broadcasting stations, 26 television broadcasting stations and channels available for many more. This does not take into account the many hundreds, perhaps thousands, of channels available for FM stations, and the additional channels that will be available for television broadcasting. This compares with less than 100 daily newspapers.

It would be wholly unreasonable to expect that the legislators of an earlier date could have foreseen this rapid development. They had to deal with the facts as they then saw them and to the extent these were available. That broadcasting's development has been so swift is no reflection upon their powers of foresight, but merely a tribute to the technical and social adaptability of our age.

Nor was the present regulatory situation even designed for the present structure of Canadian broadcasting, but in anticipation of a situation or structure which does not now exist.

Those who drafted the legislation were attempting to implement the Aird Report, which recommended the complete nationalization of broadcasting in Canada. Had that recommendation been accepted by the public the present Broadcasting Act would govern the situation it was intended to govern, rather than the wholly different one which now exists. Those who framed the Broadcasting Act intended the Canadian Broadcasting Corporation's Board of Governors to supervise operations of that organization. Clearly they did not intend the Board of Governors to regulate for privately-owned stations, because they did not visualize the continued existence of any such operations, nor intend they should continue.

However, it is clear from subsequent developments that the public was not prepared to accept this recommendation. Even as early as 1932 there were signs that wireless communications were developing much more rapidly than the Aird Commission had anticipated. Part of the report of the 1932 House of Commons Special Committee on Radio Broadcasting says this:



And again where the underlining appears it is ours.

Your Committee was fortunate in having the three members of the Aird Commission appear before us to amplify and explain their report, and much valuable information was thereby secured, and if we are unable to completely accept their findings it must be obvious that there has been a great change in the science of radio broadcasting and in the financial condition of the country in the last three years.

It is interesting to note that the committee was impressed with the swift development of broadcasting even between 1929 and 1932. There has obviously been vastly greater change in the conditions and circumstances of our economy and society between 1932 and 1955, much greater change and development in broadcasting.

The proposed Independent Regulatory Board would be consistent with today's situation, recognizing not only the changes that have taken place in our economy and our society, the changes that have taken place in the structure and position of broadcasting, but the actual structure of present-day Canadian broadcasting.

3. The principle of separation of powers is extremely important to the democratic philosophy. In Canada and Great Britain this principle is recognized in theory and practice, sanctioned by tradition and common sense. In the United States it has been made a fixed principle of their Constitution. In all democratic countries the principle has been consistently stressed in setting up legislation to deal with new developments.

In the United States the president's committee on administrative management (1937) emphasized that government corporations should be separate from, and subject to, any governmental agency concerned with the same field, whether that agency was a board or government department. This principle has been consistently adhered to and was recently confirmed by the so-called "Hoover Commission".

In the United Kingdom the same principle has been applied in establishing state-owned industries. Usually a government corporation has been set up which in turn is subject to regulation by a Board or Government department.

In Canada the same principle has been established in fields whose structure is parallel to that of broadcasting. No one would suggest, that the Canadian National Railways and the Board of Transport Commissioners should be consolidated or that Trans-Canada Airlines should take over the functions of the Air Transport Board.

Nor has it ever been suggested that the exercise of regulatory function is essential to the continued existence of either the Canadian National Railways or Trans-Canada Airlines. We at least are not aware of any representations made by either of these operating organizations for transfer to them of regulatory powers now exercised by the Board of Transport Commissioners or the Air Transport Board.

In another democratic and Federal style state, these fundamental principles have always been applied to regulation of broadcasting. In Australia a five-man Australian Broadcasting Control Board regulates both the government-owned stations and networks and the non-government stations and networks. Both exist side by side in harmony, each providing an acceptable and accepted service, without damage to the other and with great benefit to the public.

In Provincial affairs in Canada the same basic principle is followed. In provinces where a government corporation or commission produces electric power, it is, like private power companies, subject to one common regulating body, ordinarily a provincial utilities board. It is thus recognized that a state-owned corporation supplying goods or services should be separate from a regulatory agency which grants permits or licences, or enacts regulations



which affect the government corporation as well as private enterprise. The principle is clearly established in every parallel situation that democracy cannot permit a single body to combine the executive, legislative and judicial functions.

Yet these are precisely the conflicting roles now played by the Canadian Broadcasting Corporation because of the existing legislation. The Canadian Broadcasting Corporation is forced to operate within a legislative authority which clearly violates the essential principle referred to above. It performs primarily as a government corporation operating broadcasting stations. It also acts as a regulatory commission in acting quasi-judicially in recommending licences, and legislatively in making regulations, which apply to both itself and independent radio stations with which it competes in its producing capacity. Thus it is forced into the position of being both controller and competitor, both judge and litigant, both judge and prosecutor, or all of these at one time and in the one body.

Surely all sound principle or precedent supports the claim that the regulatory functions should be exercised by an agency independent of and apart from, the Corporation. Just as an agency should not act as both judge and prosecutor so should it not compete with and at the same time regulate private individuals.

The proposed Independent Regulatory Board for broadcasting is squarely within the framework of these vital principles of democratic regulation.

A striking example of the adherence of the government of Canada to the basic principles involved in separation of powers is provided by its adoption in 1952 of recommendations made by the MacQuarrie Commission. The Commission in its report said this:

Again the underlining where it appears is ours.

"When an investigation is completed the commissioner is required by the Act to assume an entirely different and incongruous role. He must make an appraisal, intended to be public in nearly all cases, of the situation which has been brought to light by the investigation carried out at his instance and under his direction. He is given the compromising appearance of being at one and the same time prosecutor and judge. No matter how fully his assessment of a situation may be justified by results, its value is lessened by the inconstancy of his position.

"Many of the criticisms we received about the present procedures and the report on this point. It is important that the Act receive the widest possible public support. There seems to be no valid criticism of the fairness or the vigour of the administration of the Act but as long as a single official is placed in the position of being required to perform incompatible functions there is room for a good deal of public misunderstanding. Furthermore, a separation of the two functions of investigation and appraisal would effect a logical, efficient and economical division of work."

These recommendations were adopted by the parliament of Canada with the approval of all parties in June, 1952.

The present regulatory situation in broadcasting is clearly open to the same criticisms made by the MacQuarrie Commission, for the same reasons, and with the same results.

An independent regulatory board is the most practical and useful form of accomplishing the basic objectives so lucidly stated in the MacQuarrie Report, removing all possible grounds for suspicion and complaint; permitting, in the widest degree of freedom and the greatest possible atmosphere of harmony, the full and complete development of Canadian and television broadcasting in the service of Canada.



That concludes our formal submission, Mr. Chairman. Appended to our brief, Mr. Chairman, there is a list of the officers and directors of The Canadian Association of Radio and Television broadcasters, and also a list of the member-stations of this association subdivided by regions.

The CHAIRMAN: Thank you very much, Mr. Allard. Mr. Allard is now prepared to answer any questions which members of this committee may ask.

Mr. RICHARDSON: Simply for the sake of the record and transgressing on the time of the committee for just a moment, I know Mr. Allard will not mind if he refers to page 5 and observes the spelling of Galileo. I notice that it is spelled "Gallileo". 300 years after his death one little member of a parliamentary committee in Ottawa would like to knock the "l" out of him.

The CHAIRMAN: Would the committee care to have the two lists appended to the report placed on the record as an appendix?

Some hon. MEMBERS: Agreed.

*By Mr. Goode:*

Q. I am going to question only on the brief this morning, and although I do not intend by any means that it should be complete, there are, nevertheless a few things I would like to have cleared up. On the first page of your brief you say that some 25,000 Canadians depend directly or indirectly upon the independent stations in Canada for their living. Do you mean by that radio and television?—A. Yes sir, that includes both radio and television.

Q. And how do you support that figure?—A. These figures were obtained, Mr. Goode, by way of a questionnaire to our member stations asking for a list of their full-time and part-time employees. The reference to "indirectly" is really a reference to part-time employees or those not directly engaged in the business of broadcasting per se.

Q. Can you tell me how many are full-time employees and how many are part-time employees?—A. It would break down roughly to something in the order of 20,000 full-time employees with the balance being part-time or casual employees.

Q. Further down on that same page you talk about an independent regulatory body for Canadian broadcasting: "To correct the present situation in which one body competes and regulates at the same time; to bring the broadcasting regulation into harmony with parallel regulatory situations in all parts of Canada; and with like situations in every part of the democratic world." I would like to have you go into that and tell us the situation in regard to the democratic countries.—A. The reference to like situations was intended, Mr. Goode, to cover those situations in which there is a state corporation or body operating in a certain field and also privately owned bodies. In such cases, as is pointed out further along in our brief, it has been the general custom to have the regulations for both of them written and enforced by a third party, a non-operating tribunal. You will have noticed that later in our brief we make a reference to the fact that this situation already exists in Australia in relation to broadcasting and it exists in other countries of the world in situations parallel to broadcasting.

Q. What is the situation in Britain?—A. In relation to the general situation, Mr. Goode, the United Kingdom has in general followed this policy. They have followed the custom where industries have been nationalized of placing such industries whether or not in competition with private industry under the regulatory supervision of an independent tribunal. As far as broadcasting is concerned, they have a completely state-owned non-commercial system in so far as radio is concerned. Just recently they have set up what is called an independent television authority and from that will stem the operations of non-government commercial television broadcasting stations. The



radio broadcasting system will continue to report to the Postmaster General and the independent stations will report to the independent television authority.

Q. Is this independent body already set up in Britain?—A. It is our understanding, sir, that it has been.

Q. By the government of Great Britain?—A. By the government of that country, yes sir.

Q. Is there such a thing as independent television in Britain now?—A. It is not actually operating, sir, but I believe that the people concerned are hopeful that it will be operating by the end of this year or very shortly thereafter.

Q. Has it been determined by statute in Great Britain that there are to be independent television stations?—A. Yes sir.

Q. On page 3, Mr. Allard, you say this: "Any worth while local service can be performed only by local stations." What do you mean by that?—A. There are two factors involved. The first of these is the intense local loyalty that exists in nearly all Canadian communities. The second is the fact that a local broadcasting station is owned and operated by people who are a part of that community, who understand the people who live in the community and their needs and desires, and who can make the broadcasting station operate usefully in harmony with the development and the desires of the individual community.

Q. Further down the page you say: "Competitive television service in all areas of Canada will increase the sale of television sets, and this will stimulate the growth of a great new industry." We have been told in this committee that if private TV stations are allowed the competition originating from those stations will cause the C.B.C. to be in a most difficult financial position. We have heard that in evidence in this committee. What is your feeling in regard to that comment?—A. Mr. Goode, we ourselves had occasion to gather certain information in this connection for other reasons—development and research reasons—and we decided to go to the people who should know best who are, of course, the advertising agencies. I think most of the committee members know that these are the people who act as agents for the large national advertisers in the placement of advertising business in all media. We sent a questionnaire to the 75 leading advertising agencies in Canada which is virtually all of them and undertook to use only a summary total of this information keeping the names of the individual agencies and advertisers confidential. Twenty-eight of these agencies have replied to us and they happen to be the larger group. The replies to the questions contained in the questionnaire may bear on the question you have asked.

The first question we asked was this: "We have one or more clients willing to purchase television time in the cities checked"—and the cities checked or made available for checking were Vancouver, Toronto and Montreal—"but who have been unable to secure it." Twelve agencies replied that they have clients who want to buy television time in Vancouver and have been unable to secure it. Twenty-one reported the same situation in Toronto and 21 in Montreal.

Our second question was this: "We have clients already purchasing TV time in one or more of the cities checked"—the same three cities throughout—"but who have been unable to secure all the program time they desire in the cities checked." Nine checked Vancouver, 12 Toronto and 12 Montreal.

The third question was: "We have clients already purchasing TV time in one or more of the cities (Vancouver, Toronto, Montreal), but who have been unable to secure the times they desire and/or the program they desire in the cities checked." In reply to that, 10 agencies checked Vancouver, 15 checked Toronto and 12 checked Montreal.



Our fourth question was: "We have clients who purchase time on TV stations located in U.S. cities adjacent to the three mentioned." Thirteen agencies answered "yes" and 10 agencies answered "no".

The next question was: "We estimate that if additional TV facilities were available in any of the three cities mentioned, we could secure ( ) additional clients to purchase TV time." The total number of clients reported from the 28 agencies is from 73 to 86 and one agency voluntarily undertook to report that one of its clients or a group of its clients—it did not specify which—had \$1 million awaiting use when additional television facilities were available in one of these cities.

The final question read: "We believe there is room for additional TV facilities in one or more of the cities concerned in so far as potential advertiser interest is concerned." All of the 28 agencies stated "yes" with one specifically mentioning Vancouver and one specifically mentioning Toronto and Montreal which would mean that 25 of the agencies thought there was interest in all three cities.

Q. How much of this Canadian money is going to the United States for purely Canadian programmes beamed to Canadian people? Have you any suggestion as to the amount of money that is going to the United States at the present time?—A. We have been able to get only estimates, but I think they are reasonably useful estimates. We are informed that something in the order of \$1,600,000 is being spent by Canadian advertisers advertising Canadian goods in television broadcasting stations located in the state of New York. We are also told that something in the order of \$200,000 is being spent on one television broadcasting station in the state of Washington by Canadian advertisers.

Q. This will be my final question for the time being. On page 4 of your brief you mention the acceptance of applications from Canadian citizens for television broadcasting licences in the six major Canadian cities. Are you staying with that number? Are you just asking that the major centres be given private television at this time?—A. No sir, and we would not like to leave that impression. We mention the six major cities specifically because of the circumstances now existing, but our point is the development of alternative or competitive service in all areas of Canada.

Q. I am interested in the suggestion that has been made many times in this committee by officials of the C.B.C. that if private television stations are allowed in the large and major centres of Canada that their financial position would be adversely affected. Your opinion is entirely the opposite?—A. Our opinion must obviously be entirely the opposite because of the information provided to us by the advertising agencies who are the people best qualified to know.

*By Mr. Dinsdale:*

Q. As I listened to the evidence of the C.B.C. officials they seemed to be suggesting that there was a law of diminishing returns so far as radio and telecasting revenues are concerned and that this point of saturation could be reached very quickly. As I listened to the brief read by yourself, Mr. Allard, you suggest—and I do not have the page before me—that introducing competition into this field would widen the horizon and further promote the advertising industry. Can you comment on this theory of diminishing returns and the saturation point being reached quickly in the broadcasting field?—A. It has been the entire experience in the whole advertising business that competition not only stimulates the growth of the various media but is essential to stimulate it. We have seen in Canada many instances where a radio broadcasting station goes into a comparatively small area hitherto served only by a



weekly newspaper. Almost invariably the result has been the growth of the weekly newspaper as well as the continued existence of the new radio broadcasting station.

Q. According to the C.B.S. report there has been a drop in commercial revenues for radio broadcasting. That, I presume, is related to the effect of television broadcasting? Have you had a similar trend in the private operations?—A. It should be clear, Mr. Chairman, that there are three basic types of business in the radio broadcasting field and for that matter in the television broadcasting business as well. The first is network business. The advertiser buys a program on a network of stations through the network organization. The second is what is known as national business. An advertiser whose head office or plant is located in Toronto or Montreal buys programs at a number of private stations all being located in other cities but dealing with each of those stations individually. The third type of business is known as local business. An illustration of this would be the type of advertising placed on the Ottawa broadcasting stations by Freiman's or Murphy Gamble's and businesses located right in the city. The experience throughout North America has unquestionably been that network radio broadcasting has shown a decline in revenue since the advent of television. National business has shown a decline in some areas but not all, and is a spotty picture. Local business generally has shown an increase.

Q. In both radio and television; as one goes up the other goes down?—A. In the case of television it would have to be an increase because it did not previously exist, and in the case of radio broadcasting it has generally increased.

Q. That concludes the questions I had concerning the matter of revenue, Mr. Chairman, and I would like to move over to programming.

*By Mr. Richard (Ottawa East):*

Q. I would like to ask a few questions, Mr. Allard. I think your last answer was very clear and I think most of us agree with that—certainly everyone should agree. When you answered Mr. Goode a while ago and mentioned figures, you did not mention what the value of that business would be that was refused or that they could get for private stations in the three centres. Do you have any figures on that?—A. No sir, we were careful not to get specific figures because both the advertisers and the agencies are reluctant to reveal these. These are competitive points, you see. I should make it clear that advertisers who are going into business would by and large be medium sized and larger advertisers, and the 28 agencies reporting is that group of agencies generally dealing with the larger clients.

Q. They did not differentiate between short programs or spots? In stating that they were refused time, they did not tell you whether the time refused was for spots or short programs or whether it was for regular programs lasting anywhere from 15 minutes to an hour?—A. We did not put the question to them on that basis, Mr. Richard. The second question read: "We have clients already purchasing TV time in one or more of the cities (Vancouver, Toronto, Montreal) but who have been unable to secure all the program time they desire in the cities checked." In other words this situation is one in which they are buying time regularly and program time but are unable to get all such program time they desire.

The third question was: "We have clients already purchasing TV time in one or more of the cities (Vancouver, Toronto, Montreal) but who have been unable to secure the times they desire and/or the program they desire in the cities checked." In other words, this covers the situation in which the client is buying such program time, but does not have available to him the specific time and/or the specific program he wanted.

Q. Suppose there is a million and a quarter dollars being spent in advertising with U.S. stations at present. There is no reason to believe that those same programs would be placed on Canadian stations or do you think that a substantial part of it would come to Canada?—A. We certainly feel that a substantial part of it would come to Canada. You can give no guarantees in this business, Mr. Richard, any more than one can in any other business, but I can assure you the people operating television stations will certainly go after that business very aggressively and they would have high hopes of recapturing the major part of it for Canadian stations.

Q. Do you not also think that a bar to that would be the fact that some Canadian advertisers would prefer to buy time on U.S. stations because of the type of programs available which our stations here cannot get?—A. I suggest, Mr. Richard, that the time now being purchased on U.S. television broadcasting stations has little or nothing to do with the programs but is connected with the unavailability of time for the advertising.

The CHAIRMAN: Are you through, Mr. Richard? Now, Mr. Boisvert.

*By Mr. Boisvert:*

Q. Are all the non-government stations members of your organization?—A. Not all, no sir.

Q. How many are?—A. You mean how many are members?

Q. Yes.—A. 128 radio, and 22 television broadcasting stations.

Q. How many private stations are owned by newspaper interests?—

A. There are 28 privately owned stations which have direct or indirect newspaper connections.

Q. Thank you.

The CHAIRMAN: Are there any other questions?

Mr. ROBICHAUD: Following Mr. Richard's question, you mentioned that some people or some firms have complained that they could not get specific time. Is it not a fact that they wanted certain hours, which were not available, or was it that time as a whole was not available?—A. It would be both, in both cases. The firms were not complaining, they were merely supplying information. Obviously, if there is only one television station in a city and you have already bought the time from 9 to 9:30 on Thursday nights, then I cannot purchase it.

Mr. RICHARD (*Ottawa East*): I think that advertisers would not be interested in from 4 to 4:30?

The WITNESS: There are certain type of advertisers who might find it rather uninteresting, yes.

*By Mr. Knight:*

Q. Following Mr. Boisvert's question about the connection between radio stations and newspapers, you said that there were 28 stations which were directly or indirectly connected with newspapers. How do you group them? There certainly would not be a one to one correspondence between the station and the newspaper. I am getting at the point of multiple ownership. Could you give us perhaps the name of the newspaper which has the most private stations in connection with it, and the number of such stations?—A. The Southam newspaper interests are connected with two or three broadcasting stations. I would prefer the figure of three for the time being. I believe that Northern Broadcasting is an affiliate of the Thompson Newspapers and owns three broadcasting stations and shares in the operation of two others. They would be the largest group.



Q. The Thompsons have three, plus two, making five.—A. A reference was made to that point in the 1953 committee.

Q. What stations are connected with the Sifton Press?—A. Radio broadcasting station CKRC in Winnipeg has, or had some connection at one time with the Sifton Press; but I believe there has been a shift in the corporate structure lately with which I am not familiar.

Q. You would not have any objection to multiple control of mass-communication; your business would not preclude any objection to it. You put the interest of your business first, I presume. What is your idea about multiple control? Would you allow any limit? I understand you would favour a monopoly in that direction. Perhaps you would like to have an opportunity to put your views on the record.—A. Thank you. The fact of the matter is that our views on multiple ownership are purely academic. We are not the licensing authority or the authority which recommends the licensing. Consequently our views have no practical application to anything.

Q. You have no responsibility?—A. We have no responsibility. The situation in Canada might or might not be entirely different if broadcasters, as individuals, were in the position of being the licensing authority, or recommending authority; but the policy is there and we have nothing to do with it.

Q. I am told by the present licensing authority that they are pretty careful about the question of multiple ownership, and that they do not encourage it too much. If we could get rid of this authority there would be nothing standing in the way of further and progressive multiple ownership in the way of controlling mass communication by companies with newspaper holdings. A. I think it is a fair statement to say that both the licensing authorities and the recommending authority tend to be extremely cautious about what is referred to as multiple ownership. You may have noticed an application for the sale of a radio broadcasting station on the west coast which was recently recommended for denial because of that very fact. I suggest that a shift of responsibility of this function would not alter a philosophy which has become a pretty basic and a prevailing part of the general philosophy of our day.

*By Mr. Monteith:*

Q. Would Mr. Allard say that there has been a definite trend by advertisers away from radio towards television?—A. No sir. I think that would be putting it far too strongly. As I said earlier, the network radio business in both the United States and Canada has suffered from television competition. In the picture of the national placement of business as supplied by various of the individual stations, demonstrates that some of them have shown a decrease while some have shown an increase. On the other hand, some have been standing pat. Virtually all stations—I think it would not be unfair to say all well-managed stations—have shown an increase in local business.

Q. Straight radio?—A. Straight radio.

Q. They have increased their local business?—A. Yes sir.

Q. In offsetting any drop in network business?—A. In virtually all cases, more than sufficient to offset it.

Q. Would you anticipate that the network business would continue to drop?—A. I think it is quite likely that the network picture is going to remain difficult for some years, until the whole picture can fall into place.

Q. By that you mean television properly distributed and so on?—A. I mean a reorganization of the network structure which might enable it more effectively to meet television competition.

Q. Would you care to comment any further on that point?—A. The structure of network broadcasting is roughly the same in Canada as in the United States so far as the operating part of the network is concerned. It has been the practice for the networks in both countries to make available

programs to advertisers. The advertiser's message becomes a part of that sponsored program and it is distributed to the affiliated stations of the network.

But this picture may no longer be followed in relation to network broadcasting. There are some network companies in the United States who are now thinking in terms of becoming what would really be program production agencies. They would produce a program and feed it to their networks, and then permit individual stations on that network to sell the program if they wished to a national or a local advertiser or to both, and then pay the network a pro rata share of the production cost. This is just one of many new adaptations of networks now under review.

Q. Can you foresee that taking place in Canada?—A. I can visualize it taking place. There is a tendency in Canada to watch what the United States does rather closely and to follow it with what some of us might regard as little less than high-speed.

Of course you have an entirely different network picture in Canada. In the United States there are several major networks, and competition there is a great stimulus to the production of new ideas to keep you in business.

Q. You do not see any danger to the future of what we might call the local independent radio station caused by the increase in television advertisers and so on?—A. That would seem to be something which has not entered the thinking of any of us. The well-managed small local broadcasting stations are taking the view that they must meet this new competition, and most of them are quite confident of their ability to do so.

Mr. RICHARD (*Ottawa East*): On that point, the local stations now are enjoying very good business. But if you increase the number of local television stations you must admit that their local business would also suffer greatly.

The WITNESS: That has not been the experience with comparable stations either in Canada or in the United States. There are, as you know, a great many television stations operating in the United States. Some of them operate in a small area. In areas where the local station has been faced with television competition, the well-managed radio broadcasting station has managed to hold its own.

*By Mr. Fleming:*

Q. You may not be familiar with the evidence which we received from Mr. Dunton at the last meeting of the committee on Thursday afternoon, as to what might be the anticipated effects upon television operations of the C.B.C. if the present single-service coverage policy were abandoned or modified. We must be fair to Mr. Dunton's evidence, and it is fair to say that it indicated that the C.B.C. under these conditions would anticipate an increased cost of operation and also a loss of revenue.

Now I would like to have your comment on this matter from perhaps four angles, all of which it seems to me are of such importance as to warrant serious consideration. First, what is going to be the effect in regard to competition as between the C.B.C. and the local stations serving in the same area, and what might be expected to be the effects beneficially or otherwise on the C.B.C. of that competition?

Second, what is your view as to the likelihood of the C.B.C.'s cost of operation rising under those circumstances, which I presume means competition for talent for perhaps the same type of program?

Third, what is your view as to the fear which the C.B.C. has that its revenues would be adversely affected by permitting private stations to operate in the areas now served by them?

And fourth, and this is a fact, it seems to me, about which there has been too little heard in this committee so far: what, so far as you are fully



acquainted with it, is the feeling of the listener public in regard to this matter?—A. In reply to your first question, it has been the invariable experience in the advertising business and in all phases of it that competition makes the service provided by the advertising media more useful to the reader, the listener, or the viewer, and that it is improved from the standpoint of service by such competition.

In regard to your second question as to the increased costs, that is something which depends on your method of operation. It would be fair to say that you would be likely to meet increased costs depending on what your costs now are in relation to programming and production. That is a matter which would vary from place to place and from city to city.

As to your third point concerning revenues for such stations: this idea has already in large part been answered by the information we have had from the advertising people. I can interpret it to this extent; it is our belief that with sufficient revenue immediately available, two, and in some cases more than two stations could exist in at least a major area of Canada, and probably in some of the secondary areas.

Q. You say "major area". Are you embracing all six of the metropolitan areas in which the C.B.C. is now operating television stations?—A. Yes. All six of the major areas, and certain of the major areas which the C.B.C. is not now covering. And finally, it would be difficult to evaluate the effects of programming in the general picture, because where there are two or more stations competing for the favor of listeners they will naturally make every effort to capture the largest possible share of the audience, and that would mean a constant improvement of the standard of service provided.

Q. Can you make any more specific comment on the question or questions I raised? I understand the approach you referred to, and the desire on the part of the stations to catch the maximum listener interest. But my fourth question was directed more specifically towards learning if you can assist us in ascertaining the feeling of the listening public on this question of local monopoly.—A. The listening public? The views of the public have of course great importance to us. We keep ourselves attuned to public opinion as well as we possibly can. We listen to broadcasts, and we read the daily and weekly newspapers. We are kept informed through a clipping service, and by these means we get what appears to be the opinion of editors and others as expressed in the editorial column and letters columns. We talk to people as we go about the country and our membership is located in every part of the country.

As a result of the information gleaned from these operations we are completely confident that there is a majority of support throughout Canada for our view that the time has now arrived to permit competitive and alternative television broadcasting services.

Q. There are several other points which perhaps relate to the general questions I have asked you. Have you seen Mr. Dunton's evidence given at the last meeting, or are you familiar with it? It has not been published yet, but have you had any information about it, or, in saying anything about it should we first make a statement as to the gist of the evidence given by Mr. Dunton in regard to any particular matter on which we might be seeking your opinion?—A. Did you have some specific action or point in mind?

Q. Yes. The question of the listener service as a test of the attitude of the listening public. Questions were asked earlier in the committee's studies on this matter. Mr. Dunton intimated that the C.B.C. does subscribe to a listener service. We had some figures last Thursday in that respect, but there was some reluctance expressed to putting the reports on the record because they are said to be confidential.

Now, are you in a position to make any comment upon the validity that you find can properly be attached to reports of the listener service, and are you free to share with us, in this committee, the results of any of this listener

service in the areas now specifically served by these six areas which are served by the C.B.C. TV transmitting stations?—A. In reply to the first question, I think the validity of this service can best be demonstrated by the fact that the figures are accepted by advertisers, by advertising agencies and by media, such as radio and television broadcasting stations. A great deal of important business is placed on the basis of those figures. I think that Mr. Dunton informed you correctly when he said that these figures are supplied on a confidential basis.

Q. I was not suggesting that there was anything incorrect in Mr. Dunton's statement.—A. I quite realize that. But the fact is that each subscriber to this service receives a mimeographed or typewritten report on the front cover of which appears the word "confidential". It is expected that it is received in confidence. From time to time there are certain summaries or tables of these figures printed in the trade press, and if it were worthwhile to the committee, I would endeavour to obtain some of them today during the luncheon recess and make them available to you.

Q. If you could do that, it would be helpful to the committee as long as it is understood that these are listener services prepared by those who collect them with reasonable accuracy in this field.—A. In each case, sir, the figures published in the trade press give the name of the organization responsible for the production of the figures.

Q. There may be some further points arising out of that information when we have it. Do you think we might have it for this afternoon?—A. I would think so. We will make every attempt to get it.

The CHAIRMAN: Mr. Henry.

*By Mr. Henry:*

Q. I would like to refer back to the question of the competitive effect of television on the small radio broadcasting station. You spoke about the American experience in that regard and said that where these small radio stations are well managed, the local television station did not necessarily cut into the revenue of the small broadcasting station to any great extent.

My first question is this: what American cities did you have in mind in that respect?—A. A great many; actually, Erie, Pennsylvania, is one which comes to mind. I happen to have had certain conversations with people in business in that city, as well as in a place called Pottsville, and Lancaster in Pennsylvania, as well as in cities of similar size located in various parts of the United States.

Q. Could you enumerate some of the factors of good management which you consider materially affect small broadcasting stations?—A. Good management is an extremely difficult thing to define in any business. I suppose it is one of those things which you have or have not got. The majority of people who have good management ability seem to be people who are highly dependable; who know their business thoroughly; who are not wedded specifically to any one form of operation; who are willing to keep abreast of the times in meeting competition as it comes along; and who are willing to act aggressively together to further the business, and to keep their operations going.

Q. Am I correct that in the actual surveys or reports as indicated, in the case of the new stations about which you speak, that the morning and afternoon—that is the daytime business—is the dominant field for the small broadcasting stations, and that is when they must operate if they are to compete with television competition in question?—A. Yes sir, that is quite true, and we have discovered by and large it has always been true.

Q. In other words, you would not have greater broadcasting station incentive enough to have a major audience for evening business?—A. There



are, of course, other factors involved; but on your specific point we had occasion to take a survey recently of a large type of station located in a medium-sized Canadian community. The manager of that station found to his surprise that long before television seventy-two to seventy-five per cent of his revenue was obtained from time sales before seven o'clock at night. And money is going into the television broadcasting business today which never was available to radio broadcasting. Advertisers are willing to purchase television time who never at any time have paid out that money for radio broadcasting time.

Q. Looking forward to the day when there may be a more economical method of producing television sets, and particularly small ones that the housewife may use in the kitchen while she is doing her work, do you think that that day will be a factor to cut into the small radio station revenue in the daytime?—A. That would be a situation we would just have to meet when it came.

Q. Do you think there is any immediate prospect of competition developing in that respect within the next five years?—A. Things have been developing so fast and are continuing to develop so fast in the entire electronics field that nothing would surprise us.

Q. Assuming that this competition development did come, it would be a very serious threat to the small radio stations, would it not?—A. I would think it might force some of them to further alter their programming and sales policies in an attempt to meet this new competition development.

Q. Do you think there would be any factor of good management a radio station operator could bring to bear on the competition problem to overcome the competition of the small TV sets in the kitchen and bedroom?—A. I am quite certain this problem is not beyond the ingenuity of most managers of small radio broadcasting stations.

Q. Then I take it you are saying there are inherent factors in the operation of small radio broadcasting stations that will never be met by TV programs?—A. No, not at all. It may well be that TV and radio will find entirely different audiences; we do not know, and I do not think anyone knows. What I am suggesting is that the key factor is the element of management.

Q. Have there been any recent American surveys covering the whole of the problem I have outlined to you?—A. The problem you have outlined?

Q. Yes; bearing in mind the whole competition problem which we have, have there been any surveys which would throw any light on the present problem as to how it may develop in the immediate future?—A. I would not say there had been anything in the nature of surveys, but from time to time in a social way we discuss with visiting U.S. broadcasters the problems they have run across and what they propose to do about them. I think it would be fair to say that among the various broadcasting stations of whatever size there seems to be no immediately discernible note of doom.

Q. Are you indicating that all your opinion is based on facts gleaned from formal and informal conversations as between broadcasting and TV station owners?—A. No, not at all. Not only do we have conversations among ourselves in Canada, but we do trade certain specific information among ourselves and with U.S. broadcasters and both U.S. and Canadian manufacturers, so we do keep posted on developments. We also trade notes with advertisers and advertising agencies and we have available to us the advice of experts in the fields of economics, statistics and similar information.

Q. What do you consider to be the best written treatise on the whole subject of this problem within the last year or so?

Mr. FLEMING: "Allard on radio!"

The WITNESS: I think perhaps the best summary was contained in a speech quite recently given to the Sales and Ad Club of Toronto by a Mr. Kevin

Sweeney who is connected with a sales promotion bureau for radio broadcasting in the United States. I would be happy to obtain from him a copy of the speech if you would like to see it. It is a very illuminating survey and forecast.

Mr. HENRY: And after that speech what do you consider to be the next best treatise that has been written?

The WITNESS: Oh, there are half a dozen in the field. There is one by Mr. John Karol of the Columbia Broadcasting System which is rather useful. We have a very interesting comment by a gentleman who is the vice-president at the Citizen and Southern National Bank of Atlanta, Georgia. None of our own people have committed their thoughts to paper in the form of a formal treatise, but some of the Canadian opinions on broadcasting are also extremely useful and well informed.

*By Mr. Richard (Ottawa East):*

Q. When you answered a question asked by Mr. Fleming a moment ago, you mentioned there would be room for other TV stations in areas now served by the C.B.C. and in other areas already allotted to one station. You are the director and manager of the private system of stations. Do you feel at the present time—and I am not talking about the future—that those areas which are provided TV stations—Catholic, perhaps, I do not know; Quebec is a private one, I think—and others would feel inclined to receive that type of competition from other stations in those large areas? Did they not assume and did they not build and develop their stations in those areas feeling that they were to be alone and that competition would hinder their development?—A. Mr. Richard, if they built with any such idea in mind—which I seriously doubt—they certainly did not read very carefully any statement of government policy on this point, or the remarks of the chairman of the Massey Commission referred to on the second page of our brief.

Q. Then you feel there would be no objection coming from private stations in those areas now served exclusively by private stations to having competition from another station?—A. You obviously cannot answer as to what may be in the mind of some individual in the future, but in some of those areas the nature of the local economy is such that neither of two television broadcasting stations would be in any immediate danger of going broke.

*By Mr. Knight:*

Q. I have one or two questions which are perhaps a bit disjointed. This is an occasion on which we have an opportunity of showing our ignorance—and I speak for myself—when we have an expert witness before us and we can find out many things. I have one question about newspapers which I forgot to ask previously. Are any of the private television stations controlled by newspapers?—A. One comes to my mind immediately. It is a matter of public record that the *London Free Press* in London, Ontario is concurrently owner of the television broadcasting station in that city, and I believe I am right in saying that one of the newspapers in the city of Hamilton, Ontario has a partial interest in the television broadcasting station there.

Q. There is another question which is again disjointed because it is a local affair. I notice in your list of member stations the French station in Saskatoon is not mentioned. Is it a member station?—A. The French language station in Saskatoon is not a member station. The one at Edmonton, Alberta is, but not CFNS in Saskatoon.

Q. I notice in most of your brief and in dealing with the subjects we have discussed this morning, to a considerable extent you mentioned this radio and television business from a business point of view. You appear to express a great deal more interest in things like advertising and greater listening



interest than you have in programme content. As far as I am concerned I want to give you notice that I am greatly interested in the latter part as well as in the former, because I realize that you cannot run stations unless you have some financial backing wherever it may come from. You mentioned a great deal about obtaining a greater listening interest. What is the interest of your association in producing greater listening interest?—A. Because, Mr. Knight, this is the end product by which you survive.

Q. In other words, your primary purpose is getting into mass communication; most naturally with you it is a business, and your interest is in what money can be made from these channels?—A. That is not our sole nor our whole interest.

Q. No, I used the word "primary".—A. The prime interest of any business, Mr. Knight, must be to serve the community so well and efficiently that the business can return something other than red ink to the shareholders.

Q. In other words it is a reward for good service?—A. Precisely.

Q. I think that is reasonable enough. I notice that when you were giving us certain authorities a little while ago you relied upon advertising opinions. I believe this was in relation to putting in extra stations. The agencies from which you collected information were universally in favour of doing this, but they would have a direct interest in the installation of such duplicate stations, would they not? I mean, it would be to their financial interest to have duplicate stations created?—A. That is not the kind of thing to which you can give a general and still accurate answer, Mr. Knight. In some cases it would be true, and in other cases it would not be true and in still other cases it would not necessarily be true.

Q. I have the greatest admiration for your adroitness. I take it it would be a fair question if I were to ask you if you are a lawyer perhaps?—A. No sir, I am sorry to disappoint you, but I have no legal training and indeed never even went to university.

Q. I think you would have been an honour to that profession.

Mr. RICHARDSON: He wants to be sure about it before he frames his next question.

*By Mr. Knight:*

Q. What has been the general success of television stations in the United States. Have some of them—to use the vernacular—gone broke?—A. As a matter of fact, some of the U.H.F.—that is to say, ultra high frequency stations—have gone through the process generally known as "surrendering the license" which is a process more accurately described by your own phrase—gone broke. This, I think, and it is the general opinion of the industry, had some relationship to the ultra high frequency problem itself. In the case of the very high frequency—the standard band of television, if you like—I am pretty certain there have been no such instances and while some of the stations are still operating in red ink the older established television broadcasting stations are now better than holding their own.

Q. It would be much more expensive installing a TV station rather than a radio station? What is the relative cost percentage-wise?—A. Approximately four or five to one.

Q. It costs five times as much to establish a television station as it does to establish a radio station?—A. Generally speaking.

Q. Now to go back to this question of program content, your association would like to be able to duplicate certain C.B.C. stations—where do you propose to get your material in the event such stations are established? I know it is a big question and a wide one, but can you answer generally?—A. Generally speaking, Mr. Knight, the operating dynamics or necessities of the broadcasting business both for the C.B.C. and ourselves are enforced to some

extent by the geographic, economic and other basic circumstances of Canada. Some of the programming would have to be local, and a great deal of emphasis would have to be placed on local programming in areas like Vancouver, Toronto or Montreal, let us say.

The right way for a new television station in a community to establish itself, would be to make itself as much a part of the community as it possibly can, to be present at every outstanding function, to interview outstanding local or visiting personalities and in general to make itself a part of the city. Some parts of the programming might or might not come from the C.B.C. depending on what arrangements that corporation has in mind. Some of the material would obviously come from kinescope and film, some of which would be obtained in Canada and some of which would be obtained abroad.

Q. What percentage would you estimate might be of local interest?—A. That would probably vary widely with the conditions in the community and the operating policy of the management. It might hit a low of 35 per cent and it might hit a high of 70 per cent.

Q. Would that mean that the same percentage would be put on by local performers?—A. Not necessarily by local performers although of course they would play their part in the programming. I think any such television station would have to go in heavily for covering community events, exhibitions, parades, sports events, meetings and that type of thing which are a feature of the community's life.

Q. In your brief you have been somewhat derogatory concerning United States programs by stating that we would have to see to it that we would get a lot of Canadian programs. I was wondering if you would like to answer the same question percentage-wise as the last one—what percentage do you think would be imported from the United States?—A. That amount would depend on what percentage the station could get from local and domestic programs, and these percentages might easily vary from month to month. The percentage to be obtained from the United States might, varying with the station, run all the way from 30 or 35 per cent up to 50 or 55 per cent.

Q. If we assume that your primary object is to profit—and I think in spite of the way you answered the question there is no doubt in anyone's mind that that is your primary object—do you not think it would be cheaper and more profitable to import more ready-made or "canned" programs from the United States?—A. On the one hand it might or might not be necessarily cheaper, but on the other hand that is not the sole and conditioning factor. It would be one thing to make the assumption that you could operate entirely on U.S. material; that is to say, material imported from that country, but if you find out—and I think you would readily find out—that your community resented your not covering local events and showed their resentment by not tuning in to your station, you would have to change the policy quickly indeed in order to stay in business.

Q. But as matters stand now it would be immensely more profitable to forget about that and show programs from the United States?—A. Not necessarily. There are some programs that can be obtained from the United States reasonably cheap, but whether all the programs in this category are the type of program you want would be an open question. Also there are good programs to be obtained from the United States at very high prices.

Q. In the outlying places I am now thinking of, the cost of local production would be very high, would it not?—A. That would depend entirely on what production was done, and what the management's policy in relation to it was.

Q. That leads me to ask what is your policy in regard to outlying places that are poorly served? Would you be prepared to subsidize those places from the benefits from your better sort of communities as the C.B.C. is doing at the moment?—A. Interestingly enough there are two points in this connection which might be of interest to you, Mr. Knight. If you will take a



look at the list of radio broadcasting stations now in existence you would find a large percentage of them are located in smaller or outlying centres, and indeed it is only the privately owned stations that operate in such communities as Flin Flon, Fort Frances, Moose Jaw, Chilliwick and so on. Moreover the privately owned television stations now existing do not exist in any of the six major centres and obviously many of them exist in areas which could not even be described as secondary centres. Licences have been granted in Charlottetown, Wingham, Barrie and other places which can scarcely fall into the category of secondary communities. The basis of structure of supply to radio broadcasting stations in the past has been such that in fact the larger stations have been subsidizing the smaller ones.

Q. In regard to certain French language stations—and that is one reason I asked you about the French language station in my own city—you would also have something of a problem there, would you not, in certain sections of the country in endeavouring to make sufficient commercial revenue to operate a station of that kind without some subsidization? Let us take for example a community where you have French language people very much in the minority. I can see where there would be difficulty in obtaining sufficient sponsors for commercial programs over a station of that sort. Do you experience difficulties in that respect? I fancy my own station is having some difficulties at the moment.—A. It is impossible to predict, Mr. Knight, whether or not some owner—in, let us say, Saskatoon—will apply in due course for a French language television station. I would assume that anyone who had as carefully considered all the factors involved as one must in applying for a television licence would not do so unless he had some reasonable hope of keeping his head above water. It has just not happened yet so we do not know.

Q. I would like to ask another question which you may consider foolish. Who pays ultimately for advertising? It is like the question about the hen and the egg—a difficult question to answer.—A. It is extremely like the hen and the egg, but let me put it this way. It has been consistently demonstrated that a mass production economy depends on mass distribution which in turn is not possible without advertising. To the extent that mass production and mass distribution lower costs, advertising is an essential part of the process that assists in lowering the cost to the consumer.

Q. But the money that is going to run all these stations including the C.B.C. ultimately, of course, comes from the public?—A. And of course the public benefits by way of more efficient production and distribution and therefore the lower per unit cost to them.

Q. Mr. Chairman, I apologize for taking so long, but I am nearly finished. I have a question inspired by Mr. Goode's question about the transfer of moneys from one country to the other. How many Canadian stations about which you have knowledge are catering to an American market; that is, they are paying on advertising programs in the southern part of this country? I know this happens in southern Saskatchewan. Have you any idea to what extent this practice is carried on and how much money is involved?—A. To a very limited extent, and it might almost be described as negligible. In certain areas there is such a geographical overlapping of interest that Canadian stations might very easily carry a program or announcements on behalf of a U.S. advertiser or product, but there are not very many such areas in Canada.

Q. In order to sum up, I wish to return to my fear. I have some fear that if we have the duplication you suggest, we are going to have a good deal of importation of U.S. programs. Many U.S. programs are excellent, and I think the C.B.C. is showing some of the best of the U.S. programs. However, I feel the C.B.C. has a responsibility in regard to quality content and I would like to think that your organization would have some of that responsibility. By my questions I have been trying to show that this profit motive—which is a perfectly legitimate one—is contrary to the idea of the best program

content and I am desperately anxious that when you do import American programs that you import good ones, because I am afraid your stations might deteriorate into simply a media for the dissemination of various things American. There are many fine American things, but I am interested in trying to hang on to the distinctive Canadian culture we have here.—A. I think, Mr. Knight, this is a feeling that is pretty generally shared, and I do feel that you can be assured at least of three things: one, that those Canadians engaged in operating private stations are at least no less patriotic or interested in the development of the Canadian community than those who are in the public service of Canada—

Q. May I interrupt? They are not responsible to anyone. The only responsibility they have is that if they become too bad they go out of business, or they will be kicked out of the local town if they do not put on local programs, but at least in the C.B.C. setup we have some responsibility which we see exercised in this committee and in the House of Commons. In other words, the C.B.C. is responsible to us who are the representatives of the Canadian people. As I say, I cannot see where you have the same responsibility where you have a perfectly legitimate business but run with private interests. Even if you have responsibility in your own conscience, sometimes when one's conscience competes with a dollar the conscience loses out.—A. That brings me to the point I intended to mention as my third point. We are responsible and very responsible indeed. We are responsible to the listeners and viewers who keep us in business by their support or lack of it, and certainly no radio or television broadcasting station is going to import or otherwise use on its facilities programs which are so inferior that they will lose their audience which is the very lifeblood of its existence. Secondly—and this is the second point I intended to make in reply to your original question—there is nothing on the record to show—and I suggest there can never be anything to show—that a privately owned station in a good community would necessarily use more imported material than a station owned by other interests.

Q. It has been my experience particularly where television is new that people will listen to anything and I imagine that a station without the sense of conscience which you claim it has could get away for a good while with pretty inferior stuff before it would be put out of business.—A. Provided it were not the only station in the community it could not get away with it for very long.

*By Hon. Mr. McCann:*

Q. Mr. Allard, is your association against monopoly on behalf of radio coverage on any sound station?—A. As a matter of general principle, Mr. Minister, we have always placed ourselves on the record as being opposed to monopoly.

Q. As being opposed to monopoly?—A. Yes.

Q. How is it that when you get an application—let me take an example. Smiths Falls applied for a station in that town and there was violent objection on behalf of CFRA who wanted, in my opinion, to maintain their monopolistic position with reference to the station?—A. I am very happy to inform you, Mr. Minister, that CFRA is not a member of this association.

Q. That is the independent side.—A. Mr. Ryan was speaking entirely for himself at the time.

Q. Do you not think there is a conflict between the general policy of CAB and a station that does not belong to it?—A. In every industry there are bound to be those whose views do not coincide in some specific way with those of the people who make up the membership of that particular industry's



association and while their views may be right or wrong, fortunate or unfortunate, we can accept no responsibility for them and in this particular case we are obviously in disagreement since we have always expressed opposition to monopoly.

Q. Do you think that is the reason they are not members of your association?—A. It is entirely possible, sir.

Q. Generally speaking you would not see any reason on behalf of any application in taking part of the field which is covered by a single radio station?—A. As a matter of fact in some cases—I can think of one recently on the west coast—our member stations have gone so far in relation to a new application as to write to either the licensing authority or the recommending authority to say that they either had no objection to the new licence, or that they were completely in favour of it.

Mr. BOISVERT: I have one or two questions.

The CHAIRMAN: It is five minutes after one. I think we should adjourn until this afternoon.

#### AFTERNOON

May 24, 1955.

3.35 p.m.

The CHAIRMAN: Order, gentlemen, I see a quorum. If members have any more questions to ask of Mr. Allard, he is at your disposal.

*By Mr. Dinsdale:*

Q. Mr. Chairman I am interested in the subject of programming, as I indicated this morning. Mr. Allard has already had some questions on this subject thrown at him. I think the reason it was inferred in the committee that additional competing private stations in areas already served by the C.B.C. would have to depend on imported programs arose from the high cost of television programming. We had information to the effect that dramatic productions and so forth, programs of that kind, would cost about \$10,000 per hour on an average to produce. If that is the case how would the competing private stations in C.B.C. areas meet that expenditure?—A. In the case of the privately owned stations they would obviously have to meet costs from their advertising revenues. Television programs by and large are expensive productions but in this field as in the case where a man drowned in water whose average depth was six inches, the figures with regard to averages are not necessarily informative and may be dangerous. Some television programs, like commodities in other fields, cost more or less than others and variations in costs occur on both sides of the border.

Q. There are private television stations already operating in the programming field, Mr. Allard. Have you any information as to the type of program production they are doing at the present time?—A. The type of program production varies—musical, dramatic, news—that type of thing. The present privately owned stations are depending on three broad sources for their program material. One of these is a supply from the C.B.C.; the second is local production and a third comprises “kines” and films.

Q. If a private station in one of the larger centres was able to produce an outstanding dramatic production or comedy production would they have the facilities to convert that into kinematic film for distribution to other private stations, or are there any restrictions?—A. The station would certainly have the facilities for production. As for distribution I do not think there are any

restrictions which would prevent a reasonably effective distribution of the material. I should explain that by the very nature of the mechanics of production there are a good many instances where the cost of production is likely to be the chief or highest cost. Not all the programs will of course be produced by the stations themselves. Some will be produced by advertisers and/or through advertising agencies and then having paid the production cost they will be anxious to obtain the widest possible distribution of the program over as many stations as possible.

Q. You say that some of these programs would be covered by sponsors. We have the information that it is impossible to get complete sponsor coverage for the more expensive program productions. Would you agree with that?—A. That it is possible?

Q. That it is impossible to get 100 per cent financial coverage for sponsored programs.—A. "Impossible" is a very strong word Mr. Dinsdale and one that I would use with considerable hesitation.

Q. Some of the more expensive productions that originate in the C.B.C. studios apparently cannot get sufficient sponsorship to constitute complete financial coverage.—A. That would depend upon how badly an advertiser wants to sponsor the program involved. In cases where he likes a program and finds it extremely useful for his present purposes of assisting in the widest sale or distribution of his goods I see no difficulty at all in getting him to pay 100 per cent of the production costs. In certain other cases he might very easily have certain reservations, and in such a case he would want to make a deal with the network or with the station involved so that he would not be paying the entire cost.

Q. To get back again to this question of the cost of programming. Do you have any experience in production costs in any of your private stations that would suggest that \$10,000 an hour is an average production cost—or is that too high a rate in your experience?—A. As I say, Mr. Dinsdale, averages are extremely difficult to deal with. It would be something like asking the average cost of an automobile. You would add up the cost of a Chevrolet and the cost of a Cadillac and divide that figure by two, but it would not mean too much in the end.

Q. What is a typical cost?—A. It may run from \$3,000 to \$100,000 or even lower or higher. It depends on what you are producing, who is producing it and what you intend to do with it.

*By Mr. Knight:*

Q. What is the basis on which you get the "top" programs from the C.B.C. now?—A. At the moment it is a requirement of licence that any television station must carry a minimum of ten and a half hours a week of C.B.C. productions.

Q. How is the cost worked out?—A. There are gentlemen in the room who are better qualified than I am to answer that question. With your permission Mr. Chairman perhaps one of the television operators such as Mr. Crittenden might be able to give the information.

Q. What is the basis of costing when private stations use C.B.C. material?

Mr. GOODE: Did not the C.B.C. tell us that there was no cost to them?

Mr. KNIGHT: I want to get the answer from the witness.

The WITNESS: You were asking what the cost to the individual privately owned station is of programs supplied to it by the C.B.C.?

Mr. KNIGHT: That is right.

The WITNESS: In that case perhaps Mr. Chairman we might defer to one of the television operators in the room at the moment, and I think Mr. Crittenden can give us that information.



Mr. H. A. CRITTENDEN: Sustaining features come to us free. No charge is made for them.

Mr. DINSDALE: Do you receive a percentage of the commercial revenues from these sustaining programs?

Mr. CRITTENDEN: Those are "sustainers". There are no commercials in that category. They are pure sustaining programs—"press conference" and that type of feature. The private stations get a minimum of ten and one-half hours free of charge.

Mr. GOODE: I would like to ask one other question while you are on your feet, Mr. Crittenden. Do you get any revenue from these programs?

Mr. CRITTENDEN: None whatsoever.

Mr. GOODE: So the private stations actually bear the cost of sending these programs out on the air to the viewer? Are all these sustaining programs non-commercial?

Mr. CRITTENDEN: "Sustainers" are non-commercial.

Mr. RICHARD (*Ottawa East*): What about "commercials"?

Mr. CRITTENDEN: That would depend on how many commercials you wanted to take. I am not sure of that figure but it is probably a good deal in excess of ten and a half hours which comes to our commercial network through the C.B.C. and is paid on a commercial basis on a percentage of our network rate.

Mr. DINSDALE: On this point of sustaining programmes, if there was a second private station operating in an area where would they get their sustaining programmes if the C.B.C. sustaining programmes were not available?

The WITNESS: In the event that C.B.C. programmes were not available they would obviously have to provide their own.

*By Mr. Knight:*

Q. Isn't it a fact that you would have duplication? Under the present set-up it seems to me that the C.B.C. sustaining programmes would be then most easily obtainable.—A. I would put it this way that duplication obviously would be impossible where the C.B.C. programmes were not going to a second station, and might specifically be forbidden.

*By Mr. Goode:*

Q. We have heard evidence that the C.B.C. are using at the present time 50 per cent—I think the number was—of United States programmes over our own network. Would the expectancy of obtaining United States sponsored programmes over private stations be any more than 50 per cent?—A. There is no reason in the world why it should be substantially less or substantially more.

Q. Is it possible for a private station going on the air to obtain a connection in the United States to receive first quality programmes? Is there that amount of room in television now? If you were starting a television station tomorrow, say, would you be assured of at least 50 per cent of good-rate United States programmes?—A. There are here—and I don't want to give a misleading impression—two different questions, Mr. Goode. You would expect to get a certain amount of United States material and I suggest the percentage would not be substantially less or more than 50 per cent, but you would not be permitted to do this by a direct connection—

Q. Who would stop you?—A. It is directly against C.B.C. policy to permit a non-government station to become directly affiliated with United States stations or networks, with certain exceptions.

Q. Do you have to be affiliated to a network before you can have first quality programmes from the United States?—A. Not necessarily. The main network programmes are on the whole excellent ones. There are other sources of supply available.

*By Mr. Dinsdale:*

Q. On this point I believe we had information that there was no restriction on the importation of programmes. Is that not so?—A. I think we are dealing with two different factors and I would like to make the difference clear. A network connection is a direct thing. If you have a network in the United States and, for example a station in Vancouver a network connection is one in which that station receives a programme from the network at the same time as it is transmitted, by wire or cable or microwave relay. That is contrary to the present policy of the Canadian Broadcasting Corporation in so far as individual non-government stations are concerned. There is no restriction on the importation from any country of material not simultaneously being broadcast and which has physically been placed on a transcription film or other reproduction.

*By Mr. Gauthier (Nickel Belt):*

Q. What about the private stations that are not on the Trans-Canada "hook-up" at the present time? Do they get any "canned" programmes from the United States or does their material come from the C.B.C.?—A. Stations that are not on the network?

Q. We have one at Sudbury, for example—the first privately owned television station. Do we get any American programmes on that station?—A. The television station in Sudbury operates under the present policy. It receives from the C.B.C. a minimum of ten and a half hours of programming per week. The other programming would be either local productions or material imported in the form of physical reproductions.

Q. Yes. Would there be any American programmes in those imports?—A. I imagine there would be a few, yes.

Q. It is very good as far as I am concerned.

*By Mr. Reinke:*

Q. The fact that you are required to take these sustaining programs—does that meet with acceptance on the part of the individual television stations as a general rule?—A. In this matter as in so many things there is a wide and deep variation of opinion among individuals. Some of this difference of opinion is accountable for by program taste. There are some television operators in other words who appear to be quite happy about the sustaining material and there are others who have varying degrees of reservation about it.

Q. But by and large you say that these sustaining programs are acceptable? What do you say about that?—A. It is a requirement of the licence and therefore our opinion about that is rather an academic thing.

Q. I was asking you for your opinion, or for the opinion of your fellow operators.—A. As I say the opinions which have been expressed to us reflect a wide degree of variation.

*By Mr. Goode:*

Q. Is there any difference between the policy in force with regard to radio and that with regard to television as far as the C.B.C., or the regulations are concerned? Do you still have to take a percentage of radio programs on the same basis?—A. No sir, the arrangements in radio broadcasting are not quite so rigid. If you are a privately owned station basically affiliated to either of



the C.B.C. networks you are of course required to carry a specified number of programs at specified times—C.B.C. sustaining programs—and you are obliged to carry any commercial programming they feed you, but no minimum or maximum amount is specified. There is of course also a section of the Broadcasting Act which has been translated into a C.B.C. regulation which provides that any broadcasting station in Canada shall carry “such corporation or other programs as the corporation may designate.”

*By Mr. Carter:*

Q. I want to ask Mr. Allard a question concerning these community services which, it has been said, the private stations would be giving to the community. Would you regard CKOY as a measuring stick for such services?—A. I think it would be rather difficult to single out any station as a measuring stick or as a typical example, because broadcasting stations reflect a wide difference in management and policy.

Q. How then could we get some idea of the level of community service which we might expect?—A. I think I have one suggestion for you, Mr. Carter in that respect—that you might get a well qualified opinion from a purely objective source, and I would refer you to your colleague Mr. Richard who in his capacity as chairman of the John J. Gillin Junior Memorial Award has seen some of the evidence of the community services performed by broadcasting stations.

*By Mr. Dinsdale:*

Q. On this matter of importation of programs, their Canadian content and so forth, obviously to deal with it in the field of television is hypothetical because we have not had sufficient experience, but there has also been the suggestion, Mr. Allard, that the same problem applies in the field of private radio broadcasting as would apply in that field of private telecasting—that is that a private station would largely depend upon American imports to the neglect of Canadian production. Can you help us with any information along those lines?—A. I would think that is rather a generous overstatement to say that the privately owned stations are dependent largely on C.B.C. sources of material. I do not want, Mr. Dinsdale, to take up too much of the time of this committee, but this whole question of Canadian talent and production is a very basic and involved one which many people discuss only very superficially. One of the problems involved is definition. Suppose an English orchestra visits New York and records a selection of Straus waltzes in that city and I get a copy of that recording and use it in Canada. Is that to be called an American importation? The music was created in Austria and it was played by an English orchestra. The mere fact that the physical act of reproduction took place in the United States surely does not establish its nationality. Many examples of similar kind could be given.

A second thing to remember is this: that all nations in their development stage have had a tendency in that stage to be importing nations—a tendency to import everything, material, and cultural. As the nation develops, and as the population expands and their economy grows larger they become more self supporting. In Canada we are going through a great phase of development; we are beginning to provide many things for ourselves, including cultural material, but you are not going to say to a nation of seven or eight million people, as Canada was not so long ago, that it must become overnight a great culture-producing nation. That needs time, training and money and there are also factors involved—economic and very practical factors. We were in fact appearing in this city last week before a Royal Commission appointed by the present government under the chairmanship of Mr. Chief

Justice Ilsley to point out that as long as broadcasting stations are required—and I use that word advisedly—to pay very large sums of money every year to the great international copyright societies we are draining something like a million dollars or more out of this country every year and that to this extent less money is available for the rapid development of Canadian talent.

There are a lot of problems to be solved. This is part and parcel of the expansion of the Canadian community and I think all the factors I have touched on very briefly and lightly must be kept in mind when dealing with this very difficult subject.

*By Mr. Dinsdale:*

Q. That is very interesting, Mr. Allard, but can you bring it down to an average picture on a typical local station? What percentage of their programmes could be legitimately called imported programmes and what percentage could be called locally produced programmes? Can you give an average picture?—A. Here again it varies extremely widely with the individual station and an average is extremely misleading, but in the case of well managed stations of the medium and smaller type I would say it would not be unfair to suggest it is about a 50-50 balance.

*By Mr. Carter:*

Q. Could we ask what percentage of the private stations are well managed stations?—A. My view of a well managed station is one which commands a wide audience, respect in its community, and shows black ink in its ledgers at the end of the fiscal year.

Q. Would you say a typical private station has a programme made up of records and give-away programmes?—A. No sir, I would not say that in the interests of accurate reporting.

*By Mr. Richard (Ottawa East):*

Q. In respect to the community service private stations are giving, I understood you to say when you were speaking about the programmes this morning that a distinction should be made especially in relation to television. While they can give Canadian programme content and community service they are not in a position at the present time to compete in any sense with the actual production of plays and entertainment features and the like for television?—A. Let me put it this way, Mr. Richard. Those of our members concerned assure me they would like to have a crack at it.

Q. Have they done so yet?—A. To date none of them exist in centres where much production or indeed any production is possible.

Q. Do you think frankly that any private station could operate several hours a day producing programmes such as the C.B.C. is producing now—Hamlet and the like—year in, year out?—A. I cannot guarantee that we would produce Hamlet, but there would certainly and necessarily be production.

Q. And you mean to say private stations could compete against private stations in the same locality without the benefit of the network, and could make productions costing from even \$3,000 to \$10,000 an hour and stay on their feet financially?—A. In areas where production is possible, yes sir.

Q. What are those areas?—A. Those are the areas where the production facilities and the people required to produce are by the very nature of our economy concentrated. Specifically those areas are Montreal, Toronto, Winnipeg, Vancouver and to a lesser extent Halifax.

Mr. FLEMING: Not Ottawa?

The WITNESS: No.



*By Mr. Richard (Ottawa East):*

Q. Actually on radio, for example, there is very little original stage production in private studios?—A. There is not a substantial percentage of it, but there is a fair amount of it.

Q. But a very small percentage?—A. I would not have referred to it as a small percentage, no.

Q. Have you any figures to show us the amount of live programmes with advertising originating in Canadian private stations—either radio or television?—A. It would vary widely from station to station. A station in Vancouver is obviously going to have more live production than a station in Flin Flon or Moose Jaw.

Q. I am not talking about Flin Flon or Moose Jaw. I am talking about big centres like Vancouver.—A. As it happens that stations in Vancouver do a reasonable amount of live producing. We have a gentleman here from Vancouver who could possibly give you a few illustrations of the type of thing being done in that city.

Q. And are these sustaining or paid programmes?—A. Both sustaining and commercial and of course where it is possible to make them into commercial programmes prudent management invariably does so.

Q. I am not complaining about the community service which I think is well done, but you cannot convince me that a small private station could go to the extent of becoming a production centre with the amount of money available in this country.

Mr. FLEMING: Give them a chance. Let them risk their own money if they wish to.

Mr. RICHARD (*Ottawa East*): They will probably have the opportunity some day.

Mr. GOODE: I think we are getting away from the type of station we are talking about. I do not think anyone has said that private stations are going to set up studios such as we saw in Montreal the other day for their own purposes. I would rather see a private station in Vancouver carry a doggone good football game rather than the first act of Hamlet on a Saturday afternoon, I do not mind telling you.

Mr. RICHARD (*Ottawa East*): They would not show Hamlet on a Saturday afternoon.

Mr. GOODE: They might, because I doubt if anyone would watch it at night.

The WITNESS: It is a question of the division of function. I completely agree with Mr. Goode's view. No station would set up anywhere the type of facilities the C.B.C. has in Montreal. The C.B.C. is charged with performing a national function and servicing the networks. Privately owned stations have an entirely different function and that type of setup would in no way be necessary or particularly useful.

*By Mr. Richard (Ottawa East):*

Q. That is a point on which I agree with you, and I am glad that you as a representative of C.A.B. express it so well because some people do not recognize it, but you appear to appreciate the two different services rendered by the privately owned stations and the C.B.C. I am going to ask a question on copyright. Can you give us the amount of money that is paid by the stations on copyright?—A. The amount paid by privately owned stations in Canada alone to the larger of the two copyright societies (CAPAC) is somewhere between \$325,000 and \$400,000 a year. The C.B.C. pays one society additionally, to that one society an amount somewhere between \$152,000 and

\$162,000. Then additionally we pay between us lesser amounts to a total of approximately \$160,000 to the smaller of the two copyright societies. In addition to these payments from time to time payments are required for individual rights or for so-called "grand rights" if you use a complete production.

Q. And these rights are paid to copyright owners in foreign countries as well as in Canada, are they not?—A. We made the statement to Chief Justice Ilesley's commission that about 90 per cent of the money finds its way out of Canada every year. That statement has not been and cannot be successfully refuted.

Q. No doubt it was brought out that in some of these countries like the United States there is no reciprocal right for Canadians in copyright matters?—A. Not only is there no reciprocal right, but as you probably know the United States uses Canada as a back door to get into the international convention, the Berne and Brussels conventions. U.S. citizens establish copyright in their own country by complying with their registration requirements, and then obtain the Union protection of lifetime of author plus 50 years through simultaneous publication in Canada.

Q. All these other countries require legislation in their own country, but Canada gives them rights to copyright without any registration or formality in this country?—A. Yes sir. As a matter of fact as we pointed out to the commission this is one of the few instances and perhaps the only one, where, by Canada's adherence to the international convention we have actually erected a tariff against our own nationals.

*By Mr. Dinsdale:*

Q. Returning to the point I was discussing a moment ago I notice in the C.B.C. report that only 1.9 per cent of network programmes originate with the private stations. Would that be any indication of the amount of local production going on in the larger private stations?—A. No sir, it has no bearing at all. That figure refers specifically to the amount of production being done on behalf of or being fed to the C.B.C.'s production by or in privately owned stations. There is no particular reason, in fairness to the C.B.C., why they should require privately owned stations to produce programmes for them when they have such excellent facilities in the major production centres.

Q. Do they not encourage the production of programmes for networks by private stations? For example, I believe they will underwrite financially any outstanding programmes?—A. For feeding to the network?

Q. Yes.—A. I think they entered into arrangements once or twice where they wanted a certain programme made up of actors or other characters living in a city outside of the major production centres, but by and large it should not be, is not, and need not be their policy to pick up programmes on any large scale from privately owned stations.

Q. Are the private stations not interested in having very exceptional local programmes released to network facilities?—A. Very rarely, Mr. Dinsdale. In the first place, the competition factor enters. There is frequently a desire to keep a good programme to yourself for obvious reasons and secondly a local production is not necessarily always a production that might be useful on the network scale. Moreover there is the third and important factor that "talent" in Canada—I am referring now to people who entertain for a living—have a tendency when they become really good and are well known to drift to the larger centres such as Montreal and Toronto for obvious reasons. The privately owned stations are in the business of producing programmes on a certain level up to a certain point, and the really top talent ultimately winds up in the major cities.



*By Mr. Holowach:*

Q. With respect to licensing, when a private station make application to the authorities for a licence, such license is granted and for what length of time is it in force?—A. The licence is granted for a period not to exceed five years.

Q. After five years renewal is made for that licence?—A. After the end of five years the licence is renewable. There is no compulsion on the licensing authority to either renew or fail to renew it.

Q. Do you know of any case where a private station made application for a renewal of licence and such licence was refused?—A. There are no recent cases which have come to my attention, Mr. Holowach.

Mr. REINKE: Along the lines Mr. Holowach was following, you mention on page 6 of your brief that virtually all legislation pertaining to wireless communications is based upon broadcasting's development and position more than a quarter century ago. Would you suggest that by having a separate regulatory body this legislation would change at all? Under the present setup as I understand it, this legislation is enacted by the Department of Transport. What would happen if a separate regulatory body were set up?

Mr. FLEMING: Should we not clear up the discussion of television before we proceed with that topic?

The CHAIRMAN: Yes. Would you hold that question until we have completed the first item in the brief?

Mr. REINKE: Yes.

*By Mr. Goode:*

Q. I wonder if we could find out what private stations are doing so far as community television is concerned. Are they just putting programmes on the air hour after hour or are they taking mobile units out and featuring local events of interest? Could you answer that question or have one of the gentlemen with you who owns a private station answer?—A. You are referring to privately owned stations?

Q. I am referring to privately owned television stations.—A. Yes. I think it would be of interest to have a comment concerning these activities from one of the gentlemen present.

Q. Is anyone present from Edmonton?—A. No, but someone is present from Brandon and from Regina, and Mr. Davidson is in television. Anyone could give you information on these points.

Q. A gentleman from the west would talk the same language as I do, and I would like him to answer some questions.

Mr. RICHARD (*Ottawa East*): One gentleman from the west is enough!

Mr. H. A. CRITTENDEN: We carry on from an hour to two hours a day of local programming actually. This is broken down into news, sports and the weather, chiefly. We cover sports quite heavily. We also have a 30-minute women's feature which covers styles, cooking, interviews, guest artists, etcetera. We also have a local Punch and Judy programme. We have had the Jubilee Choir of 60 mixed voices, perhaps a half dozen or a dozen times since we commenced operations. We have also a 17 voice girls group, the Huettes, who have appeared on a regular series of features. We have presented special Easter services with the choir and the minister, sports forums, weather forums, farm forums and discussion group type programmes. Two or three quarter hours per week on some occasions we have local talent, an organist, a vocalist, a pianist or a programme of that nature.

Mr. GOODE: Was the United States station received in Regina before you were on the air?

Mr. CRITTENDEN: No.

Mr. GOODE: How many television sets are there in Regina and district now?

Mr. CRITTENDEN: We estimate around 18,000 in our area.

Mr. GOODE: You are the only station which feeds these 18,000 sets?

Mr. CRITTENDEN: Yes.

Mr. GOODE: So 18,000 sets at a cost of many thousands of dollars have been purchased since you went on the air?

Mr. CRITTENDEN: Yes.

Mr. GOODE: And the C.B.C. has received 15 per cent?

Mr. CRITTENDEN: Yes.

*By Mr. Carter:*

Q. Following up my earlier questions and those asked by Mr. Dinsdale I would like to know for information if it is correct that these give-away programmes reached such proportions on private stations that the C.B.C. had to intervene in order to curb them, is that correct?—A. I do not think you could describe the C.B.C.'s action as intervention although they certainly took official notice of them, and as I recall it they issued what might have been interpreted as a warning. We had certain discussions with them both preceding and following the course of action they took. Give-away programmes in broadcasting stations, on networks and in newspapers and magazines are things which come and go periodically in about seven or eight-year cycles. They have been going on, Mr. Carter, for as far back as there have been newspapers, and I suggest they will continue in periodic cycles so long as there is an element of larceny in the hearts of most men.

Q. Did your organization as a body feel they were going a little too far with it?—A. We did as a matter of fact at one point urge a course of moderation and restraint which we thought to be in the general interest, and it was shortly thereafter—it may or may not have been a coincidence—the number of these programmes began to decline. I think it fair to say they had at that time reached pretty much of a peak in the newspaper and magazine business and in that field they began to decline almost simultaneously.

*By Mr. Richardson:*

Q. Mr. Chairman, I have one question to ask of Mr. Allard. May I preface my question by saying that I have no quarrel with the information Mr. Allard seems to possess. He seems to be acquainted with the banking systems. Take in a typical bank—the Royal Bank of Canada with its numerous branches throughout the country,—they would have in even smaller places than the big metropolitan cities several branches and I suggest many of these banks would regard some the branches as carrying others and the unit cost would therefore be down. Referring to that system in your brief, do you think we might have for the general welfare of all concerned just as much good in the industry if the C.B.C., let us say, had two operating units in each different place?—A. If the C.B.C. were the only operating unit in a given city there would scarcely, I suggest, be the provision of alternative program service. The C.B.C. has been created for a specific purpose and provides a certain type of service—a national service. We are not making any complaint—let me make that clear—about the way the C.B.C. discharges that function. The non-government stations on the other hand are set up to perform a local service, and therefore they must gear their service to the particular needs, desires and tastes of a particular community. This in effect provides a real alternative.



Q. Do you not think the C.B.C. by its own arrangement might not be able to supply the supplementary service?—A. Not without destroying the entire point and purpose of the C.B.C.'s present operations.

*By Mr. Reinke:*

Q. You have suggested there are certain channels available to Canadian television operators—and we all know that to be true—which are not in use at the present time, and if they are not taken up there is some chance that they may be taken over by the United States. Have you anything to substantiate that submission?—A. Yes, Mr. Reinke, it happened to a certain extent in radio broadcasting when the so-called power freeze was in existence in Canada, and something of a comparable situation has now developed in television. TV has developed in Canada it is true, but not as rapidly as it has in the United States. The pressures in the United States will grow and as various people want to improve the services they are now providing they will petition the proper authorities in the United States for certain concessions not now available within the terms of the international agreement. As a result of these pressures and with the rate of development the United States authorities might easily find themselves once more in the position where they have to give way and permit the use of channels or the use of channels with power and other technical limitations not now visualized; to the detriment of future Canadian service.

Q. Has there been any indication so far that pressure has been brought to bear on our licensing body in Canada to allow some of these channels to be released to your knowledge?—A. If you are speaking of U.S. interests, such pressure would not be applied to the Canadian licensing authorities but would be applied to the United States licensing authorities. Suppose you were interested in television broadcasting in Toledo. Let us suppose that the channels originally allocated to that city are all taken up. You would go to Washington and say, "What can I do?" They would say, "Nothing." You would say, "How about channel 5?" And they would say, "Sorry, but that is allocated to the Canadians." You would say, "What are the Canadians doing with it?" And they would say, "Well, nothing." So you say, "How long is this going to go on? If they are not using it, why cannot we use it?" And if you kick up enough fuss about this, then something is likely to be done which is not presently contemplated by the international treaty.

*By Mr. Fleming:*

Q. There are a few questions which I have saved up, some of which were touched on by Mr. Knight this morning in part. It is by way of exposing for your comment, Mr. Allard, some of the myths that have been raised from time to time in order to justify monopoly. Do I understand that you, Mr. Allard, and those you represent take the view that in the field of television you are just as opposed to private monopoly in any area as to C.B.C. monopoly?—A. In two words, yes sir.

Q. Do I understand it to be your view also that there will be more total opportunity for Canadian talent to be used on live television programmes if licences are issued for private transmitting stations in the six metropolitan areas where the C.B.C. now enjoys a transmitting monopoly?—A. We would regard that as an obvious development, Mr. Fleming, because it would permit the development of programmes in the cities which later would be available for use in other cities of Canada.

Q. When we hear people say that the C.B.C. should be permitted to retain its transmitting monopoly in these six large urban centres until private stations are willing to subsidize the provision of television in the more

remote areas of the country, I ask you if you can think of a better way of subsidizing than by having the federal treasury take 47 per cent of all profit made by the private corporations, and then to subsidize all the C.B.C. operations to the extent of over \$20 million a year so that the C.B.C. may carry on that national function?—A. That is precisely the situation as it now stands, is it not?

Q. That is the situation as I understand it to be. It is not the situation as it seems to be understood by some.—A. You were not putting forward a new suggestion?

Q. No, I am putting forward the situation as it presently exists according to my understanding, and I remarked that it is not as it is generally understood by some—the issue is so completely beclouded from time to time.—A. It should be clear that the service in the outlying centres is being provided at this moment by the privately owned television stations. These stations exist and have applied for licences in Charlottetown, Wingham, Barrie, Peterborough, Kingston and centres of that calibre in addition to centres in the western provinces—the two prairie provinces particularly.

Q. We were told by way of defence of the policy of monopoly that if it is not continued it means the ruining of the kind of programmes Canadians want to see because we will have a lot of the objectionable advertising features on Canadian channels which are now to be found on American programmes. What do you say about that?—A. That which is objectionable is a matter of taste. It happens to be a fact that all television service existing now in Canada is commercial.

Q. Is it not a fact that this matter falls completely within the realm of the overall regulation, as to the extent of the use of advertising material on any program?—A. It is partly a regulation and it is partly a question of taste. The important fact, I think, is that much of the television now appearing in all cities of Canada including Montreal and Toronto among others is, in fact, commercial television.

Q. Yes. We used to be told that there was a very great peril for individuals or companies who were seeking to risk their means in setting up a business in the field of private television, and that they should be dissuaded or indeed prevented from doing so by a paternalistic government because they should not risk their own money, since it was a very expensive business. What do you say about that?—A. Any business at all is inherently a risk business. There is no guarantee that you will make money in the automobile business, the grocery business, or the broadcasting business. You may make money or you may lose money. These people who are prepared to enter the broadcasting business in relation to television broadcasting are fully aware that they run a certain element of risk and they are prepared to accept that risk.

Q. We used to have differences of opinion expressed as to how much it was going to cost to enter this field and how long a new station could expect to sustain a loss on operations. We have been told recently by Mr. Ouimet that the cost of operating a new station—that is, the construction and operation of a new station—is coming down. Is that your experience?—A. Yes sir.

Q. Has it come down substantially from previous estimates which used to chill the blood in the veins of some members of previous committees?—A. It has come down enough to be interesting. I think with the very rapid advance taking place in the entire electronics field that it will continue to come down.

Q. Can you give us any percentage at all in your answer?—A. It depends on what type of station you are putting up, and where and when you are putting it up. But in a set of situations which were completely parallel, I think you could say that it was a reduction of somewhere between fifteen per cent and twenty per cent of capital cost today as opposed to a year ago today.



Q. That is quite significant. Next we were told that the C.B.C. could not carry on the national function of operating a network and giving service on a national basis, if it did not have full access to this commercial revenue, and we were told further that this commercial revenue would be challenged by the licensing of privately owned stations in the six areas in which the C.B.C. now enjoys a monopoly.—A. In the first place, Mr. Fleming, we ourselves have a great deal more confidence in the ability of the C.B.C. to retain its own place. Secondly I do not think it was ever contemplated that the Canadian Broadcasting Corporation was to be an organization self sufficient from commercial revenues. And in the third place, I think the figures which we submitted this morning demonstrate conclusively that there is still advertising revenue of a major order available in the major centres involved.

Q. Then, when all the other myths are exploded, we have this one turning up as a sort of last resort: that unless this policy of monopoly is continued, the recognized position of the French language on the airways is going in some way to be impaired. It was suggested further, and I think without any justification—although I think we should leave that to your comment—that the C.B.C. is not going to be able to carry on to the same extent as at present, to provide the French language on the national service or in some places which are now provided with the French language on a local basis, and that it is not going to be carried on unless the policy of monopoly is continued. What is your comment on that matter?—A. My comment is that I am a little puzzled. There are three French language television stations already licensed in the province of Quebec; one in Quebec City itself; one in Sherbrooke, and one at Rimouski. The Rimouski station and the Quebec City station are already operating. The Quebec City station has been operating for some time and I gather that it is operating successfully. I am reliably informed by certain interested people that there will be a further application for privately owned French language stations in the province of Quebec outside the city of Montreal. There would certainly be applications in Montreal.

Q. These are French language stations you are speaking of?—A. French language stations exclusively, yes sir. If these stations can survive, and so far they have survived, I cannot see that there is any great problem existing.

I was not aware that there was any service being provided on the national network outside of the city of Montreal and Ottawa in French, but I am open to correction on that point from the television operators here.

Q. I asked you this morning if you had any figures from recognized listener services as to the relative liking shown by listeners in areas now served by the C.B.C. stations, where other stations are operating, presumably American stations, seeing that the competition which is being excluded is Canadian competition but not American, under this present monopoly policy. Have you had an opportunity to look up any of those figures on the listener service?—A. Yes sir. During the lunch recess we turned up the television circulation report prepared by the Elliott-Haynes organization, which is the largest, the best established and the best know of the research companies in the broadcasting field. This report is for the period of March, 1955 and covers the province of Ontario.

Q. Can you elaborate on what is to be found in it? I do not think you need to say anything further about the Elliott-Haynes survey, as to the reputation that it holds for thorough and reliable information. We have been told by the C.B.C. that they too subscribe to that service, and other members of the committee are probably familiar with it. But would you indicate, from the survey which you have before you, what the percentages or figures are as to listener interest for privately owned American stations and for C.B.C. stations?—A. I must explain two things: First: this is a "circulation" report; that is to say, it does not deal with specific programs, but it deals with people and with stations.

The respondents were people who had within the preceding twenty-four hours viewed one or more stations either at their homes or elsewhere. So it gives the total figure, and secondly, it is broken down by both cities and county. Perhaps if there was some specific county in Ontario in which you were interested, I could answer you with reference to this report.

Q. You know the counties which are now covered by the services offered by CBLT. Could you give us those in total, unless there is anything significant about the figures for individual counties; but I think we are more interested in the total area served by CBLT and to the extent that it is also served by the Buffalo stations.—A. I could select for you the counties in which the signals are received from the C.B.C. station and from the United States stations, and if there were further counties in which you or anyone else was interested we could give that information.

In the case of Dufferin county, it is within the signal range of 6 television broadcasting stations. The total circulation for the two Buffalo stations, WGR-TV, and WBEN-TV is 9,012. The figure for CBLT is 4,506; for CHCH-TV Hamilton, it is 1,848; for CKCO-TV Kitchener, it is 231; and for CFPL-TV, London, it is 115.

Q. That would seem to give the Buffalo stations about two-thirds of the total.—A. Then in Halton county with respect to the two Buffalo stations, WBEN-TV has 26,790 and WGR-TV has 25,572, making a total of 52,362; while CBLT Toronto has 18,671; CHCH-TV Hamilton has 18,671; and CKCO-TV Kitchener has 811.

Q. That seems to give the Buffalo stations about 60 per cent as against the Canadian stations.—A. In the county of Ontario, which is covered by five different signals, there are three United States stations as follows: WBEN-TV Buffalo with 53,601; WGR-TV, Buffalo with 34,304; and WHAM-TV, Rochester with 17,152 making a total of 105,257; while CBLT Toronto has 59,318; and CHCH-TV, Hamilton has 1,429.

Q. That seems again to give the three American stations about 65 per cent.

Mr. REINKE: We should recognize that Ontario county is quite far removed from Hamilton. How far would it be from the Toronto station, CBLT?

*By Mr. Fleming:*

Q. Ontario county takes in the heart of the industrial region about thirty miles east of Toronto. I refer to Oshawa.—A. Let us take York county which is closer. In York county there are five signals shown; WBEN-TV, Buffalo with 802,521; WGR-TV, Buffalo with 362,783; and WHAM-TV, Rochester with 10,993 making a total of 1,176,207; while CBLT Toronto shows 791,528; and CHCH-TV, Hamilton shows 76,954.

Mr. RICHARD (*Ottawa East*): You mentioned the three American stations.

The WITNESS: Yes sir.

*By Mr. Fleming:*

Q. That seems to give the Buffalo stations about 60 per cent according to your account.—A. That is not our accounting; that is the Elliott-Haynes accounting.

Q. It seems to give 60 per cent for the three Buffalo stations. You have given us Ontario county.

Mr. REINKE: What about Wentworth county?

The WITNESS: Wentworth shows WBEN-TV Buffalo with 133,246; WGR-TV Buffalo with 72,467; CHCH-TV Hamilton with 112,207; CBLT, Toronto with 65,454; and CKCO-TV Kitchener with 7,012.



*By Mr. Fleming:*

Q. That is about 52 per cent for the Buffalo stations in Wentworth county, or fifty-three per cent.

Mr. REINKE: What about Essex county?

The WITNESS: Essex county shows CKLW-TV, Windsor with 110,407; WWJ-TV, Detroit with 90,024; WXYZ-TV, Detroit with 76,435; WJBK-TV, Detroit, with 74,737 and WEWS-TV, Cleveland with 1,698.

*By Mr. Fleming:*

Q. That one gives the highest percentage of all to the American stations, I suppose for the obvious reason that it is right on the border there; it looks like something around seventy per cent or seventy-five per cent at a quick look.—A. A little lower, perhaps.

Mr. KIRK (*Shelburne-Yarmouth-Clare*): Looking at the figures, he has four American stations for seventy-five per cent and one Canadian station with twenty-four per cent or twenty-five per cent.

Mr. FLEMING: My point has to do with the matter of the exclusion of Canadian competition, as though there was some virtue in the idea of a Canadian monopoly. The point which these figures bring out so clearly is that these American stations have a very wide listening interest in Ontario, and that in every one of these counties the American stations are listened to more than the Canadian stations are listened to, and yet here is this so-called policy of a single-service coverage, which is designed to keep out Canadian competition. American competition comes in there, so why keep out Canadian competition?

Mr. KIRK (*Shelburne-Yarmouth-Clare*): I am not going to get into an argument with you. I said there were four American stations and that they had about seventy-five per cent, while the one Canadian station had about twenty-four or twenty-five per cent.

Mr. FLEMING: You could not have a better argument for allowing more Canadian stations in there as against this single-service policy of local monopoly. All that it has done so far is to keep Canadians from competing. It has not kept the Americans out. I cannot see any virtue in a system which lets in American competition and ignores Canadian competition. That is not my idea of building up a Canadian system with Canadian talent or enterprise.

Mr. CARTER: I wonder if we might have similar figures for Russell county and Carleton county.

The WITNESS: I have Carleton county here and it shows CBOT, Ottawa, with 143,671; CBMT, Montreal, with 18,904; WSYR-TV, Syracuse, with 11,342; WCNY-TV, Watertown, with 9,452; CKWS-TV, Kingston, with 7,561; and WHEN-TV, Syracuse, with 5,671.

And in the case of Russell county the figures are as follows: CBOT, Ottawa, with 7,762; WCNY-TV, Watertown, with 5,421; CBMT, Montreal, with 4,928; WSYR-TV, Syracuse, with 2,094; WKTV-TV, Utica, with 1,355, and CBFT, Montreal, with 739.

Mr. GOODE: May I refer to this monopoly business for a moment which was referred to by Mr. Fleming. I would like to put another question to my friend from Regina. On March the 30th, 1953, in the House of Commons a statement was made that the C.B.C. might establish stations in some areas originally covered by private stations. You have established a private station in Regina. What guarantee have you that the C.B.C. won't go into that territory? Did they give you any guarantee that you are going to control that field?

Mr. H. A. CRITTENDEN: Not that I recall.

Mr. GOODE: So this monopoly works one way for the C.B.C., but for private stations it does not work at all. Is it not true that you have no guarantee that the C.B.C. will not go into Regina tomorrow morning?

Mr. H. A. CRITTENDEN: Or anybody else.

*By Mr. Bryson:*

Q. Mr. Allard spoke about the desirability of local service. Certainly that is a matter of interest; but in the tastes of local people the desirability of a local service certainly must be affected to a large extent by economic feasibility. In giving that kind of service, I would imagine that the type of programme certainly has its limitations; so if a comprehensive programme is to be broadcast it must contain a large measure of outside programmes of the calibre which people are looking at now on the C.B.C. I do not think that anybody would argue—not even the gentleman from Regina—that that material is not available in the city of Regina; but if it is brought in by a private party, who would be interested in the price that would be necessary to carry out such a programme?—A. May I clear up one point before I take up your suggestion? We have not put forward the suggestion or endorsed the principle of private networks in our presentation, and we make no point about private networks whatsoever.

In relation to local productions, there are a great many types of local productions in which it would be absolutely impossible to introduce any imported elements. I refer particularly to sports events and to special events and to special types of programmes in which the community either directly participates, or in which it is primarily interested.

Q. You do recognize the fact that you have to have a large measure of your programme contain something of the calibre that we are seeing now, and that you could not find that kind of material in the city of Regina, so you would have to import it; and if it is done by private stations, somebody has to pay for it. I do not see forty thousand people in Regina—I do not see enough people there interested in the prices which you would have to ask to carry that type of programme.

The CHAIRMAN: The division bell has rung, shall we come back after the division, or shall we adjourn now until tonight?

Mr. RICHARDSON: I move that we sit tonight.

The CHAIRMAN: Very well. The notices will go out for a meeting at 8 o'clock tonight in this room.

## EVENING SESSION

May 24, 1955.

8.15 p.m.

The CHAIRMAN: Order, gentlemen, we have a quorum and we can continue with our questioning of Mr. Allard who is always willing to answer. Are there any questions?

Mr. T. J. Allard, Executive Vice-President, Canadian Association of Radio and Television Broadcasters, recalled:

Mr. GOODE: Before I take the committee to B.C.—we have had very little talk about B.C. on this committee and I would like to have a little tonight—

Mr. FLEMING: Say that again?



*By Mr. Goode:*

Q. I would like to ask one question. There has been a suggestion—and it is only a suggestion—regarding the appointment of a commission. I do not know whether or not it would be a royal commission but it certainly has been mentioned—to investigate the television field throughout Canada. What would be the feeling of your group in regard to that commission?—A. Generally, we would see value in an investigation of this problem by a royal commission or a similar body provided always of course that such a committee were made up of men and/or women with practical experience, background and knowledge.

Q. Does anyone wish to question on that point before I go to B.C.?

Mr. RICHARDSON: I have a comment immediately on that question. Would that kind of committee come within the composition of the Massey Commission?

The WITNESS: I suggest that it is possible to make the assumption that men and women whose lives in the main have been spent within the rather secluded and cloistered atmosphere of universities with very little experience of business, economics and science—

Mr. RICHARDSON: Your answer is no?

The WITNESS: Generally speaking, yes.

Mr. BOISVERT: Yes, it is no. We heard this before, but it was no—yes.

*By Mr. Goode:*

Q. What you are suggesting is that if the commission is formed—and none of us know it is going to be—you would want men and women to serve on the commission who have had practical radio and television experience in Canada?—A. Not necessarily men and women who have had practical radio and television experience, although that would be highly desirable, but certainly practical men and women who have access to information concerning economics, finance and so on.

Q. I wonder if Mr. Elphicke who is familiar with local conditions in British Columbia would give me permission to question him on the B.C. situation?—A. You certainly have my permission if it is agreeable to the chairman.

Mr. GOODE: May I have permission to question Mr. Elphicke?

The CHAIRMAN: Yes, Mr. Goode.

Mr. GOODE: How long have you been in the radio field?

Mr. F. H. ELPHICKE (*Director of Radio Station CKWX, Vancouver, B.C.*): Since 1931.

Mr. GOODE: How many people do you employ?

Mr. F. H. ELPHICKE: At the present time 51.

Mr. GOODE: And what are the call letters of your station?

Mr. F. H. ELPHICKE: CKWX, Vancouver.

Mr. GOODE: There has been a suggestion this afternoon regarding welfare work on radio. Have you any idea how much money and private time has been put in by the radio stations on the mainland of British Columbia within the last five years—how much money and how much time?

Mr. F. H. ELPHICKE: Mr. Goode, there are no official figures released on that by any station to the best of my knowledge. If you are thinking of funds simply raised for let us say orphans' clubs, good deed clubs, Christmas cheer funds and things like that, I would estimate better than \$200,000, but if

you are thinking of efforts put into community chests, the Red Cross drives and cancer drives, of course we have no idea what amount of money we were instrumental or helped in raising.

Mr. GOODE: In looking over the 1953 proceedings of this committee, Mr. Rae of CKNW mentioned at that time that his station raised \$100,000 within a very few years for an orphans fund for which Mr. Richard's organization gave him a prize, so I would think perhaps it was a little more than \$200,000.

Mr. F. H. ELPHICKE: I am trying to be conservative, but I would say around that amount.

Mr. FLEMING: It is a good thing to do.

Mr. GOODE: Have you any idea of the number of hours per year that have been donated? Could you give the committee a rough guess?

Mr. F. H. ELPHICKE: I could get those figures for you in relation to our own station, but I am afraid I could not tell you off hand.

Mr. GOODE: Can you tell me in relation to your own station?

Mr. F. H. ELPHICKE: Not off hand, I am afraid I cannot.

The WITNESS: If I might interject for just a moment, I think I have some figures on a national basis that might give you an indication of what you are driving at in this connection. Of the 127 stations concerned, we find a report of cash donations by the stations—not money raised by them, but cash donated by them—of just a little over \$90,000 for the last calendar year and the approximate time donated by them to charitable purposes including both time and production is just a shade over \$2 million in the same period.

Mr. GOODE: I think that would take care of the welfare aspect. How much would it cost to build a television station on the mainland of British Columbia, Mr. Elphicke?

Mr. F. H. ELPHICKE: Our estimate is a little in excess of \$1 million.

Mr. GOODE: Are you interested in spending \$1 million in building a private television station in British Columbia?

Mr. F. H. ELPHICKE: Very definitely; not personally, but my company is.

Mr. GOODE: Do you know of anyone else who is prepared to spend \$1 million to build a private station in B.C.?

Mr. F. H. ELPHICKE: I have heard a number of people say they will apply if and when they can.

Mr. GOODE: Have you ever applied?

Mr. F. H. ELPHICKE: I have had correspondence with the Department of Transport since 1944 at which time we signified our intention of applying and since then we have received, I suppose, eight or nine letters. When various occasions arose when we thought our application might be accepted, we would write and ask them for forms.

Mr. GOODE: Did you apply for a television licence for the lower mainland of B.C. or for some other location?

Mr. F. H. ELPHICKE: Our intention was always for Vancouver.

Mr. GOODE: But you do know there have been applications from outside of Vancouver from people interested in spending that kind of money, do you not?

Mr. F. H. ELPHICKE: Quite frankly, no.

Mr. GOODE: Do you not remember the 1953 broadcasting committee proceedings? On that occasion one gentleman said he applied for a television licence in B.C. You were here in the room at that time?

Mr. F. H. ELPHICKE: You mean when Mr. Rae said that?



Mr. GOODE: Yes.

Mr. F. H. ELPHICKE: I took it for granted his was the same as mine. He wrote signifying his intention. We have applied many times.

Mr. GOODE: We cannot take anything for granted here; it has to go on the record. Let us take a look at the lower mainland of British Columbia in regard to television. I have made the statement in this committee, and it has been discussed many times, concerning the amount of Canadian advertising business going into the United States stations. What information have you on the amount of Canadian business going into United States stations and being beamed back to Canadian people for Canadian products? That is all we are interested in.

Mr. F. H. ELPHICKE: These are estimates purely because we are naturally interested in the local sales picture and with our own local advertising agencies. Our most recent estimate which was made about six weeks ago is that about \$200,000 is being spent in that way this year, the bulk of which will be spent on KVOS in Bellingham and in one or two cases on KING and KOMO in Seattle.

Mr. GOODE: Do the Canadian sponsors go down there and sell themselves?

Mr. ELPHICKE: Oh, no, he has a Canadian representative in Vancouver. I believe he has a sales office on Broadway. I believe it is the Hearst film place on Broadway in Vancouver.

Mr. GOODE: Then we can take it the United States television stations are coming up into the lower mainland of British Columbia and selling to Canadian sponsors?

Mr. ELPHICKE: I won't say all of them, but particularly KVOS.

Mr. GOODE: How about KING? Are they opening up any office?

Mr. ELPHICKE: Not to my knowledge.

Mr. GOODE: I don't know whether you want to answer this question, but I am going to offer it. I am of the opinion that KVOS, Bellingham, would not be on the air if it were not for a certain Canadian sponsor's money. Do you know the answer to that?

Mr. ELPHICKE: All I can do is take a guess at it and I would say it is a reasonable supposition. KVOS Bellingham from what I know—and I am not a big television viewer—do a tremendous preponderance of Vancouver business. There are a number of Bellingham accounts but certainly no Seattle accounts. The station at Bellingham has always been the station that sells Vancouver.

Mr. GOODE: You and I have possibly seen that station on the air. Isn't it well known that their night programmes are sponsored by Canadian firms?

Mr. ELPHICKE: From what I have seen, yes.

Mr. GOODE: And most of them British Columbia firms?

Mr. ELPHICKE: From what I have seen, yes.

Mr. GOODE: What is the position in regard to a television station? If you were granted a licence what position would you be in to go on the air? What is your likelihood of procuring equipment and what about technical people to run the station?

Mr. ELPHICKE: As far as securing equipment is concerned I believe we could get that almost immediately. As far as securing personnel is concerned certain people from our radio station would be taken and we would start training people immediately.

Mr. GOODE: How long would it take you to go on the air, Mr. Elphicke, if you were given a licence on the 1st of July?

Mr. ELPHICKE: I have not checked with the manufacturers but I would say within eight or nine months.

*By Mr. Boisvert:*

Q. Mr. Allard, can you give this committee a list of the owners of your member stations?—A. I am sorry I don't think I can, Mr. Boisvert. It may sound surprising but that is one of the things which we never had occasion to check into specially. If you were the manager of a broadcasting station and turned out to our meetings I do business with you and you may mention casually that your proprietors are such and so, but that is the only type of information we would have available.

Q. Another question. We have heard a great deal about mass production, mass distribution, mass information, High Mass, Low Mass, with respect to those matters. Can you tell us what is the gross revenue, the average gross revenue and net revenue of private stations in this country? We know from C.B.C. what are their revenues and what are their expenses and we would like to know if you could inform this committee about the same problem.

Mr. FLEMING: Is that television?

Mr. BOISVERT: I will say sound broadcasting first and I will come to television after.

The WITNESS: We do not collect that information, Mr. Boisvert, from our stations.

Mr. BOISVERT: Then you cannot answer that question?

The WITNESS: No, sir.

*By Mr. Robichaud:*

Q. Mr. Allard, can you tell us what percentage of the present television programmes originating from private radio stations are produced locally and what percentage is purchased from the Canadian Broadcasting Corporation network or others?—A. Are you referring now to television stations?

Q. Yes, television programmes.—A. That would vary widely with the individual station and the arrangement it has made with the Canadian Broadcasting Corporation. You would get a different figure, I suspect, for each individual station.

Q. The reason I ask that is that any worth while local show can only be performed by local stations but you mean to say you have no record of what percentage is purchased from the Canadian Broadcasting Corporation and what percentage is local programmes produced locally?—A. At the moment, of course, there is only single channel service in any one centre and each of those stations is required to take from the Canadian Broadcasting Corporation a minimum of 10½ hours weekly of Canadian Broadcasting Corporation programming. There are some who take a larger amount than that and the amount varies with the stations' agreements with the corporation.

*By Mr. Richard (Ottawa East):*

Q. Those are free of charge?—A. It was pointed out earlier today that the sustaining or non-commercial programmes are provided free of charge and the station provides the value of the time in which these are broadcast and that for commercial programming it gets not all but a percentage of its network rate, which is lower than its ordinary rate.

*By Mr. Robichaud:*

Q. Would you say that private stations would be an inducement for Canadian local artists?—A. I think it is self evident that if you have two places to secure employment you will increase the possibility for employment.



Q. In other words would you say that if there were more private stations they would be in a better position to give better employment to local actors?—A. It is the same position as exists in any industry. Two or more automobile manufacturers will obviously employ more artisans than one manufacturer.

Q. Provided there is no overproduction?—A. If there were any overproduction it might be that only one would be in existence, but the more avenues of possible production you open thus inducing a competitive factor the more opportunities for employment you are offering.

Mr. FLEMING: Is anyone suggesting there is overdevelopment or overproduction in the television field?

Mr. ROBICHAUD: No, I said provided there was not.

Mr. FLEMING: I am referring to that proviso and asking if anyone is suggesting there is overproduction in the television field now?

The WITNESS: That certainly would not be our assumption because we do not regard that as the case but rather the contrary.

Mr. FLEMING: Certainly.

*By Mr. Carter:*

Q. Do you not think in that case the cost of artists' services would go up?—A. Oh, it is difficult to say what might happen. The cost of artists' services by and large is dependent on union negotiation and agreement.

Q. But the more avenues they have the more demand they have for services and surely the law of supply and demand is going to work there?—A. In some cases, Mr. Carter, it would put costs down and in other cases it would put costs up. If two stations are bidding competitively for the services of a certain artist they possibly want obviously it is going to put the value of his product up and on the other hand as you open up more avenues of employment the more you are likely to find a certain degree of stability as the industry expands in cases of that type.

Q. How would private stations go about the development of Canadian talent?—A. Well, that is a pretty broad question, Mr. Carter. They would go about it in the same way they go about anything else. They would simply employ the services of those people whose capabilities were found acceptable to and accepted by the public.

Q. That would narrow it down, wouldn't it? There would not be development of talent there because those people who did not have the high level of talent, their services would not be required. Would they have opportunities then to develop?—A. The development process, if you are using the word, Mr. Carter, in its entirely restricted sense, is not a process that can be carried out by broadcasting stations, either Corporation or ourselves, but by schools, universities and special academic dramatic courses. It is presumed that when these people apply for employment they have something at least that may be of use to particular prospective employers.

*By Mr. Fleming:*

Q. Would not the private stations go about the development of Canadian talent in exactly the same way as the Canadian Broadcasting Corporation does?—A. I think they have set us a pretty fair example in that regard that we would be rather quick to follow.

*By Mr. Carter:*

Q. Can you give us any example of where that has been done by a private station?—A. There are, Mr. Carter, an infinite number of examples of development of talent. A good many of the names now familiar in Canada in broadcasting and in the United States and in Hollywood are people who were originally

hired by local privately owned stations, carried a program or series of programs on that station for a number of years and then as they became better known quite properly went on to bigger and better things. Virtually every big name started in that fashion.

Q. Well, take for example the show *Hamlet* which was put on by the Canadian Broadcasting Corporation which was quite an expensive operation. Has any private station got anything similar to that? I would like some specific example if you can give one.—A. The possibilities of development are entirely different. I suggest that *Hamlet* specifically and particularly is one of those programs that the Corporation is particularly set up to produce and the Corporation is not, of course, entirely dependent upon its commercial revenue; it is provided, and properly so, with revenue from additional sources in order to make that specific kind of thing possible.

Q. That is the point I am trying to make. Do you admit by what you say that private stations would not be able to do that sort of thing?—A. Oh, I did not infer for one moment that they would not be able to do it.

Q. But you used as an argument that the Canadian Broadcasting Corporation did it because they had revenue from other sources that were not available to private stations?—A. But not because the revenue would not be available to privately owned stations. I merely pointed out that your particular example is the sort of thing the Corporation is set up to do. In the case of privately owned stations people come to you with certain program possibilities and you are bound to go out and seek people you think have a talent to handle a certain kind of program. Everything is very specific and very particular and you put those people on the air and if they are successful the program is carried on. These people gain experience, they gain new following both for themselves and the station and in due course they are quite likely to go on to bigger things.

One example which comes to my mind is the group now known as the Happy Gang, most of which began on a local station in western Canada and there are a good number of other examples—people like Alan Young began out on the west coast; and virtually all these people are those whose experience was originally obtained from productions arranged through or by local stations.

Q. But you would not class the Happy Gang in the same class of entertainment with *Hamlet*?—A. The Happy Gang is a program that has a tremendous appeal to many Canadians. I am not prepared to start dictating their tastes to them.

Mr. FLEMING: May I suggest that programs of the type of *Hamlet*, according to the Canadian Broadcasting Corporation plan, will be put on only twice or three times a year.

The CHAIRMAN: Quite expensive.

Mr. FLEMING: That is what we are told. These are not programs that are going to be put on frequently like the ones being referred to now. They are not typical examples of programs you are referring to. They are only to be put on twice or three times a year.

Mr. RICHARD (*Ottawa East*): Mr. Fleming, that should be corrected. There are a number of stage plays of half an hour and one hour which are original productions which while not a two hour production, not as complicated as *Hamlet*, are still heavy productions going on weekly.

Mr. FLEMING: We were talking about *Hamlet*.

Mr. RICHARD (*Ottawa East*): There is only one *Hamlet*.

Mr. FLEMING: He took that as an example. I am reminding him and the committee that according to the evidence given by the Canadian Broadcasting Corporation the two-hour major productions like that are only to be done once or twice a year.



Mr. BOISVERT: Do you not think, Mr. Fleming, it is much better to have Hamlet than a dozen omelets?

*By Mr. Boisvert:*

Q. Mr. Chairman, I would like to ask another question of Mr. Allard. In the last paragraph on page 4 on television you say:

The next forward step is immediate implementation of the policy of competitive service in all areas of Canada...

Don't you think that too much competition in the field of a service like broadcasting or telecasting might create the destruction of the private station or a tendency towards monopoly on behalf of the private station to survive?—A. We definitely do not think, Mr. Boisvert, that it would tend towards the destruction of privately owned stations. These factors would be taken care of by the normal interplay of economic forces that apply to all businesses.

Q. What happened before when competition was so strong that trusts and monopolies developed to such an extent that all the countries were forced to pass legislation to protect the public against trusts and monopolies?—

A. Well, this, I believe, is the financial field you are referring to. In the case of broadcasting this again is a matter that can be of but academic interest to us. I imagine it is a matter that the existing government of Canada in whatever day the problem became important would deal with through its licensing authority and the body that recommend on the licences.

Mr. GOODE: Isn't it true, Mr. Allard, that over the years competition in sound broadcasting has proven itself? Mr. Elphicke, I am quite sure, will correct me if I am wrong in saying that even within the last few months we have increased the number of sound broadcasting stations in British Columbia on the lower mainland. It does not seem to me that competition is killing itself. I think competition in the sound broadcasting field is helping sound broadcasting and I am of the opinion that it will do the same for television. Competition never hurt anyone, intelligent competition.

Mr. BOISVERT: But having seen in the province of Quebec a station offering to sell its assets—it is in the newspapers, advertising the sale of its assets to some other people. I have never seen it before.

Mr. GOODE: It leaves me open to invite the hon. member to move to British Columbia.

Mr. FLEMING: I quite recollect that the purpose in mind of the legislation that my friend Mr. Boisvert was referring to was to ensure the maintenance of competition. Surely he is not going to put that forward as any reason for maintaining a system which today is a system of monopoly?

The CHAIRMAN: We are going too far from the question field, don't you think?

*By Mr. Knight:*

Q. Mr. Allard, in connection with what Mr. Fleming has said, you were talking the other day about the government of the day and what is might do. I feel there certainly is an idea in my mind and may be in yours that the government of the day might change.

Mr. FLEMING: Hear, hear.

*By Mr. Knight:*

Q. What was the position of the last Conservative government under Mr. R. B. Bennett in regard to this matter of competition that my friend Mr. Fleming has been talking about in regard to the radio field?—A. Well, I was not suggesting any necessary change.

Q. No, I am asking you a question.—A. As I recall it the question was what was the policy of the Bennett government in reference to competition in the broadcasting business?

Q. Right.—A. I am not precisely certain that I know, but I think the Aird Commission report was implemented in the form of the Broadcasting Act during that particular regime. In certain respects the Broadcasting Act and the findings of the Aird report were contradictory and I have not been able, from the reading I have done, to calculate what the policy was intended to be.

Q. I take it you have read Mr. Bennett's remarks on the inauguration of the broadcasting company?—A. With great interest.

Q. It was in interesting speech.

The CHAIRMAN: We are still on the first point of the brief.

*By Mr. Knight:*

Q. Do the regulations of this Radio Act apply to television to a great extent?—A. I think that Mr. Dunton has explained to the committee that there is what is called, I believe, a gentleman's agreement which applied in general the spirit and intent of the radio regulations to television broadcasting. There has been no formal proclamation of any television regulations.

Q. In reply to Mr. Boisvert's request for certain statements of the revenue of your stations you said that you had not the information or that you could not get it or you would not give it?—A. As I recall it, I said we do not obtain that information from our member stations.

Q. You do not ask for it?—A. Precisely.

Q. The regulations here—they may have been amended since—are that, "The minister may require that periodical or other returns be given by the licensee of the revenues, profits and expenditures of the station and any other information required by the minister for the purpose of these regulations."

Mr. FLEMING: That is the minister.

*By Mr. Knight:*

Q. You are not allowed to ask for it, you say. Let me finish the quotation: "And the purpose of this is to ensure that such station is operated in the national interest and for the benefit of the community in which it is located." I am merely drawing that to your attention. Does that rule still operate? Does the minister frequently ask for that?—A. Yes, sir, the situation is that every privately owned broadcasting station in Canada is required to file annually with the Minister of Transport its complete operating statement and the minister naturally does not divulge that information to us and as far as my knowledge goes to anyone else.

Q. Do you have logs—I think that is the technical term, is it?—in regard to the operation of stations, I mean logs which show the comparative time of paid material or broadcasting as compared with other kinds? Are those logs available?—A. We do not obtain logs, Mr. Knight. The logs are kept by the stations. They are required to file copies of those logs periodically with the Canadian Broadcasting Corporation. We obtain information on specific points from time to time by way of questionnaires to stations, but not the entire logs.

Q. You are speaking now as an officer of the association?—A. Yes, sir.

*By Mr. Fleming:*

Q. That applies to television as well?—A. Oh, quite.

*By Mr. Knight:*

Q. One more question and I shall finish. On this question of revenue I expect Mr. Boisvert was trying to determine how the stations were doing financially. How are they doing financially, just a general picture, are they



poverty stricken or doing pretty well? Give us that picture?—A. I would hope and expect and have every reason to believe that the well managed stations are operating at a financial profit.

Q. We have an excellent station or two in my city. I think that is the case there.—A. I would certainly hope so, sir. We certainly do everything in our power to see that they operate at a profit.

Q. There is one other question and I think I shall be finished. I was interested in one of your own statements in which you said that you were not prepared to dictate taste to the public and my question is simply this: do you assume any responsibility for the cultivation of public taste? It is a difficult question. You have answered it before, however, and I know you are an expert. It would be interesting to have that on the record.—A. We certainly take the responsibility but responsibility is a great deal different from direction. Our responsibility is to provide the listeners of the individual stations making up our association with a type of programming which they can enjoy, from which they will derive benefit by way of relaxation, information, entertainment and education. Naturally, none of us would willingly put on the air any material that we thought was not in the general interests of or general benefit for, the community.

*By Mr. Boisvert:*

Q. May I interject, Mr. Chairman? What means have you got to test the programme taste of the public?—A. Our listeners, sir, are very critical and very articulate and they have no hesitation in putting forward their opinions and those opinions received by us by way of telephone calls, mail, personal interviews and the like are supplemented by the service conducted by the research organizations from time to time. These research organizations give figures for individual programmes, on programme periods and the total circulation of the station.

The CHAIRMAN: How often do you make that survey?

The WITNESS: Some of them twice a month.

The CHAIRMAN: Now, Mr. Knight.

Mr. KNIGHT: Mr. Allard would not, I am sure, put anything on the air which would be considered harmful to public taste; but how does one expect to exercise control of 150 private and pretty independent stations all across Canada in that regard?

Mr. MONTEITH: Apparently we do not; the majority of them view the United States stations.

The WITNESS: De facto control is exercised by the listeners themselves. To their wishes we are extremely sensitive. We must be in order to stay in business.

*By Mr. Knight:*

Q. I think that is a bit contradictory to what you said before. You are saying now that you are prepared to give to the public what the public wants. Is that not a wee bit contradictory?—A. I suggest there is nothing inconsistent in the two viewpoints. You may put a program on the air, and if you find it to be offensive to any segment of the public taste, you would be forced to withdraw it even if you did not want to. I know our people would want to. It may be that in the case of certain programs you have to build up a large audience fairly slowly and over a period of time. That is not infrequently done.

*By Mr. Fleming:*

Q. There is no antipathy between the idea on the one hand of satisfying listener interest and on the other hand of conducting the kind of program which would be instructive as well as entertaining to the public, unless you assume

that the public taste is depraved.—A. Precisely. We must bear in mind that the nature or structure of the program itself may have a great bearing. There are some subjects which can be presented in one of two fashions; one which is rather dull, and the other which is rather interesting. The same subject will fail in acceptance in the first case, yet it will readily gain acceptance in the second case even if over a period of time. The method of presentation is frequently very important.

Q. That is where competition is of benefit all round.—A. This is one of the stimuli which competition provides.

*By Mr. Knight:*

Q. You would agree that the one way to promote good taste in whatever you like, be it literature, art, drama, or music, is to expose the public to those things. You get a taste for something by cultivating the use of that thing. I take it that the way to promote good taste in music is to expose the public to good music.—A. Assuming our definition of good music is the same—and we could get into a very interesting collateral discussion—but making that assumption, we could create a demand, if you like, for good music by exposing the public to music itself; but you must have a beginning point; then by degrees the public taste is formed and this process is inevitably bound to expand and widen the public's horizons; I think it is not unfair however to cast our memory back to a time not so very long ago in terms of history, when music especially of a certain type was the prerogative, so to speak, of a fairly limited class of people; but the radio programmes of today have made music of all types available to everybody everywhere. It has had that interesting effect.

*By Mr. Carter:*

Q. What about casinos? What is your experience about public acceptance of them? Does the public favour them or want them; is that why they are put on the show or included in the program?—A. There always seems to be a period in every community when ideas of this type, used by all forms of communication, are highly acceptable to the public. The period of acceptance is usually a short one however.

Q. If the public wants it, the private stations will put it on.—A. I suggest that newspapers, magazines, and broadcasting stations whose business it is to deal with the public, must not set themselves up as judges of what the public should not have; and if the public demand any certain product, we must in fairness and in justice to them give ear to it. After all, there is I think something, broadly, in the theory that the majority rules, even apart from the broadcasting industry.

Q. Don't you think that these things come pretty close to gambling?—A. I think that all schemes which have certain elements of chance in them come reasonably close to gambling. The same can be said of life insurance; and indeed we are led to believe that life itself is a gamble.

Mr. FLEMING: What about politics?

The WITNESS: Life is a gamble in which you have no final chance of winning.

Br. GOODE: You have never run in an election. That is a gamble. I wonder if Mr. Elphicke has ever run one of those programs.

Mr. F. H. ELPHICKE: Yes.

Mr. GOODE: What was the public response?

Mr. ELPHICKE: It was very, very good at the outset, but it started to wane, so we cancelled it.

Mr. GOODE: It is still going on?



Mr. ELPHICKE: Not with me!

Mr. GOODE: It is in British Columbia?

Mr. ELPHICKE: Yes, there is still one continuing.

Mr. GOODE: I remember seeing one of these shows, and I learned that one day's take in regard to one of them was 80 thousand for that one show. Whether there is public acceptance or not, it could be judged by those figures. Now I want to ask you two more questions. What would you do about programming if you had to provide a television station?

Mr. ELPHICKE: We would do two or three things which we have in preparation for the eventuality which we hope will come about. We would try to get together basically some small talent groups—not large ones because we could not afford large talent groups. We would seek out as many interesting topics as possible around the city, and there are many. We would go in heavily for news. It has been a great success with us in radio; and we would have a farm director on television.

In British Columbia we have a garden program on the air now every night—no, five nights a week; and a home economics program; and a fashion program; also a home building program, and programs of that nature. And then I suggest we would have to turn to films.

Mr. GOODE: What would you do about sports?

Mr. ELPHICKE: We are heavily into sports now, both sports commentators and sports forum, and actual broadcasts of sports. But there are problems there in that we might not be able to get our cameras into the big games or the senior games. However there are many games that we can get into.

Mr. DINSDALE: In regard to programming at the present time, what are you doing in your radio programs? I believe Mr. Allard suggested earlier today that you would be in a position to tell the committee.

Mr. ELPHICKE: We have drawn very heavily upon service broadcasts. In Vancouver when we instituted a farm Bureau with a Farm Director—he was a graduate of the University of Alberta—the people there thought we had gone crazy because Vancouver is a metropolitan area; nevertheless we have a farm program on for fifty-five minutes daily, and beyond that he covers the country. We have newscasts every hour; we have three weather, road and temperature reports daily, and we have a very all embracing sports schedule. We have a talent group, and have had it for five or six years. We try to develop other small talent shows from time to time, and we have sports forums. Basically that is it.

For music, outside of our talent groups, it is recordings or transcriptions; and drama is at the present moment all transcriptions. In view of our situation in Vancouver where we have a Mutual Network affiliation, we take certain programs from the Mutual Network.

Mr. DINSDALE: You are an affiliate of the C.B.C.?

Mr. ELPHICKE: No, no, of the Mutual Broadcasting System.

Mr. DINSDALE: You do not handle C.B.C. programs at all?

Mr. ELPHICKE: No.

Mr. GOODE: CJOR has the other network.

Mr. ELPHICKE: CJOR has the C.B.C. Dominion network; and the C.B.C.'s own station carries the C.B.C. Trans Canada network in Vancouver.

Mr. GOODE: What arrangements do you have in regard to the United States network? How many programs from the United States do you put over your sound broadcasting every week.

Mr. ELPHICKE: Approximately five hours a week, chiefly dramatic, and some musical programs such as the Los Angeles Symphony orchestra, and the Chicago Theatre of the Air without Colonel McCormick in it, and drama.

*By Mr. Weaver:*

Q. I want to follow up the line of questions. This afternoon Mr. Allard mentioned as one of the aptitudes of a well-managed station the ability to remain in the black. In relating that to television, I take it there would be no question in the large centres as to this being applied; but I wonder what the lower limit would be with respect to the size where it would apply?—A. We have now reached the place where licences have been applied for from centres the size of Charlottetown, Wingham, and Barrie. Indeed there are non government television services actually operating in Regina, Saskatoon, Calgary, Edmonton and in Brandon, Manitoba. The lower limit will be reached by a combination of technological development and economics. As more and more television stations go on the air, the cost of equipment will come down and the cost of programs will come down.

Q. The cities you mentioned would be the lower limit today. Would you say that?—A. I think it is safe to assume that since they are the lowest limits which have so far applied, we have now reached those limits. It is difficult to foresee specific future limits in a business which moves as rapidly as this; tonight's limit might be different 60 days hence.

Q. You would not care to prophesy?—A. The role of a prophet is always a sorry one.

Mr. FLEMING: In politics.

*By Mr. Robichaud:*

Q. What is your organization doing in that regard? In the last twelve months how many private stations applied for a licence for television and were turned down?—A. It depends on how you define an application. The Department of Transport which receives these applications finds itself in this position: if you write in, let us say, from Vancouver or from the other five cities involved and indicate that you would like to apply for a television licence, they say they are not in a position to receive your application; it is not officially considered by them as an application.

If you define application as a firm intention to go ahead with a television station if you can get a proper licence—let us say there are at least three such applications from Vancouver, at least two from Winnipeg, at least four from Toronto, at least three from Montreal, and at least two from Ottawa, and at least one from Halifax.

The CHAIRMAN: In television?

The WITNESS: Yes sir, in television.

*By Mr. Robichaud:*

Q. Most of the applicants you mentioned are from the larger centres where they already have television service. What is your opinion about an area like my own constituency facing the Gaspé coast where we have a population of about 200 thousand which could easily be served by one station? As far as I can find out there has not been any application by any private station. It may be because the revenue would not be high enough. Do you think it would be the duty or the policy of the C.B.C. to look after this area, or would it fall to a private station?—A. What would be the central point in your county in which such a station might be located?



Q. A station might not have to be located in my county; it might be located across the Bay of Chaleur, at New Carlisle where it could serve a population of at least 200 thousand.—A. I think, without casting myself in the role of a prophet, that you may find an interest in the very near future in that location for television broadcasting.

Q. I am looking forward to it.

The CHAIRMAN: Have we answered the questions on this point?

Mr. GOODE: I notice the member for Okanagan boundary is listening to the proceedings of this committee very attentively and very carefully; and the director from that part of British Columbia is here. I wonder if Mr. Allard would permit me to ask what is the situation in regard to the Kootenay valley as far as television is concerned?

Mr. MAURICE FINNERTEY: Mr. Goode, the Okanagan valley is what we consider today to be a very marginal market, and the three existing radio stations serving the Okanagan Valley have combined to investigate the economic feasibility of giving television service to that area. Station CKOV in Kelowna, station CKOK in Penticton, and station CJIB in Vernon have hired one of the companies to make a complete technical survey, and we will be hiring another to survey a second channel. There are two feasible channels available there.

The decision which we will make will depend entirely on the coverage pattern that we are successful in getting. If we can get a coverage pattern which will serve 75 thousand to 80 thousand people, or that would give us a potential maximum of close to 20 thousand homes, I think our decision would be to go ahead, not that we expect that we are immediately going to jump into a private station; but the growth factor is one of the highest in Canada in that area, and on a long term basis we think it would be a good long term investment.

On the other hand, it is quite possible that when we add up the cost of equipment and balance it against the potential number of television homes, we may decide that we are going to have to wait until equipment costs come down, or until more growth occurs.

Mr. GOODE: Is there any television in the Okanagan valley now?

Mr. FINNERTEY: There is no television, either Canadian or American.

Mr. GOODE: Thank you.

*By Mr. Richardson:*

Q. Your organization has about 150 members?—A. 128 radio, and 22 television.

Q. How many other operators are there, to your knowledge, outside the organization?—A. Approximately twenty.

Q. So you have a pretty good familiarity with the members who are in your organization?—A. Yes sir.

Q. At the moment, do you know of any of them that are in a depressed financial condition?—A. I would not want to leave the impression with you—

Q. I am only asking for your opinion.—A. that we were making out a case for the poverty of some of our members. It happens that a few of the stations which have come into being in the last two or three years are still in a rather difficult position financially. I should explain that that is par for the course. The normal break-even period is thirty-two months in any radio broadcasting station operation. These people are still going through that development period. Apart from that, the stations which are well-managed seem to be able to serve the community in such a fashion that the shareholders are returned a proper share of their investment at the end of the fiscal year.

Q. Of those who live through the thirty-two months of the incubation stage, do you know of any, or in your opinion are there any which are in a depressed financial position?—A. There are one or two, but that is an unusual condition.

Q. In other words, there are not very many.—A. Precisely.

Mr. BOISVERT: Is there a trend at the present time to transfer the ownership of private stations from responsible individuals to an incorporated body?

The WITNESS: If there is, it has not come to my attention.

*By Mr. Carter:*

Q. You continually qualify your answers by saying "those stations which are well-managed". Are you inferring that there are some which are not well-managed?—A. It would be extremely unlikely if in an industry which is spread from coast to coast and which is made up of approximately 150 units there were not a few odd instances of bad management.

Q. Have you any idea as to the percentage of the whole which are badly managed stations? Would it be 1 per cent, 2 per cent, or 5 per cent, for example?—A. I would be extremely surprised if it went as high as 5 per cent. I would probably select a figure somewhere between 2 per cent and 4 per cent.

*By Mr. Fleming:*

Q. Competition is the thing which will eliminate the operators which are weak and ill-managed.—A. Competition has a great tendency to induce people to get rid of incompetent managers.

Mr. GOODE: Is television or radio any different from any other business? You will find well managed businesses and poorly managed businesses in the grocery business.

The WITNESS: That is precisely the point. In this respect we are no different from any other business.

Mr. KNIGHT: You said there are 150 units now. Could you give us the figures to show the increase in the number of stations say over the last ten years? For example, how many were there, 4, 5, 6, 7, or 8, and so on. That would be, in part, the answer to Mr. Richardson's question I think.

The WITNESS: While I would have to look up the information to get it accurately for you, and either or both, the Department of Transport or the C.B.C. would have that, I would be prepared to say at a rough guess there are somewhere between 22 and 27 more stations in existence today than there were ten years ago.

*By Mr. Dinsdale:*

Q. Last year I believe there were six cases of surrendered licences. I notice these all were FM stations. What is the reason for the surrendering of the licences in FM operations?—A. In the case of FM it is very simple indeed; nobody listened.

Q. They are not included in these incompetent managers?—A. No. FM simply, to put it bluntly, never got off the ground. The Canadian public did not find itself prepared to buy FM sets. Without listeners a broadcasting station just folds up.

Q. So you would conclude that FM is a dying operation in Canada?—A. At the moment we are coming pretty close to the position where you could say it is dead.

The CHAIRMAN: Could we go now to part 2, "Separate Regulatory Body". Is there any question on that?



*By Mr. Richardson:*

Q. For the sake of accuracy and my own understanding, because I am a new member of this committee, will Mr. Allard be patient with me and look at page 7, the fourth line from the bottom. The underscoring, I take it, is Mr. Allard's. He says:

"Emphasized that government corporations should be separate from, and subject to, any governmental agency."

Has a "not" been left out there?—A. No. That reads:

"Government corporations should be separate from and subject to any governmental agency concerned with the same field."

The distinction is between "corporation" on the one hand and boards, tribunals, or government departments on the other.

Q. I was reading: "Government corporations should be separated from any government agency in the same field." Or "government corporation should be subject to any governmental agency." Is it poor construction?—A. I think the report which we are quoting verbatim may have taken in too much ground.

Q. That is not in quotation marks?—A. No, but the line there is taken verbatim from the report. They said that the government operating corporation should be separate from any governmental agency connected with the same field and, too, that it should be subject to regulation by such department or tribunal.

*By Mr. Fleming:*

Q. Mr. Allard, how closely does the type of regulatory tribunal or regulatory board you propose in this brief correspond with the proposal advocated by Dr. Arthur Surveyer in his minority report as a member of the Massey Royal Commission?—A. Very closely. There are some differences between them but in principle and in substance they correspond very closely.

Q. Dr. Surveyer wrote his report out of a lengthy experience that brought him with all his immense engineering experience very closely into the field of radio?—A. Yes, sir, and more importantly experience in the fields of economics and business administration.

*By Mr. Goode:*

Q. I am going to put it to you in regard to the difference between a commission appointed by the government and this independent body you speak of, after having some time to reflect would not the independent television and radio operators be satisfied with a government appointed commission to investigate this whole matter giving us a broad view. Here we have listened in the committee on two different sides and I do not think the public of Canada are quite decided which is the best. Would you agree a commission appointed by the government would be a satisfactory first step in an investigation of what should be done in this ever improving television field?—A. While we would naturally prefer that the government of Canada would move on its own initiative in the creation of the separate regulatory body, which we propose, we would be prepared to accept a Royal Commission or some similar body as the next best thing.

Mr. FLEMING: Depending on the composition of the body.

The WITNESS: We would like to see a commission made up of men and women of practical experience.

*By Mr. Carter:*

Q. You say on page 9:

The Canadian Broadcasting Corporation is both controller and competitor.

Now, why do you say that?—A. Well, very simply, because it happens to be a statement of fact.

Q. It is not a statement of fact as set out in the government policy. Government policy says private stations are not competitors, that there is one national system composed of government and private stations, each supplementing the other in a national system.—A. While I do not recall any such statement in such precise terms in any document or statement issued by the government, if that indeed does exist it has been vitiated by the facts of the situation. It is a fact that the Canadian Broadcasting Corporation writes, interprets, and enforces the regulations. It is a fact that the corporation operates broadcasting stations and is therefore in competition with the private stations for audience, which is the life blood of both; and for business.

Q. Would you say that the private broadcasting stations have exactly the same degree of responsibility that the C.B.C. is charged with?—A. The proposed functions, the theoretical functions are one thing. Those which apply in practice are another. The element of competition exists in fact whatever the theory of competition. A Chev and a Cadillac are designed for different purposes, but I suggest if I sell you one or the other I have effectively closed out competition for somebody selling the other car.

Q. You do not consider yourself as part of a national system which makes provision for private stations to discharge certain responsibilities within the framework of the C.B.C. and under its supervision?—A. Even if you accept that position for the non-government stations the element of competition exists.

*By Mr. Knight:*

Q. Does not the term "competitive" Mr. Allard not imply an equality of purpose as among equal stations?—A. Oh no sir. Not in the slightest. The A. J. Freiman department store is certainly competitive with the T. Eaton Company of Canada Limited but the competition is clearly not on an equal basis.

Q. But you are talking now about business competition completely—you are talking about competition only in the sphere of making dividends and making money.—A. In both the business of securing listeners and of securing sponsors.

Q. Is your only complaint against the C.B.C. as a regulatory body based on the fact that in your assertion—I do not accept it—it is a competitor?—A. We are not complaining of the C.B.C. but only of the legislative situation which forces the Corporation into the position of being simultaneously a competitor and a regulator.

Q. Can you tell us specifically how what you call an independent regulating body would be an improvement on the present position? I know you would like to expand on that and so I ask the question.—A. It would in our view be an improvement in this respect, that such a separate regulatory body would be in an entirely neutral and objective position in relation to both units of the broadcasting system. This would completely eliminate any suspicion that the present system is unfair or unsound and permit the public with a clear conscience to give that support to the broadcasting Act and to the C.B.C. which we feel both of them deserve.

*By Mr. Carter:*

Q. Would you say that the C.B.C. has three specific responsibilities, first to develop a national service, secondly to develop Canadian talent and thirdly to keep up all-Canadian production? Do the private stations have the same three responsibilities? Are you charged by law to carry out these responsibilities?—A. In no terms as specific or as precise as that. There is a general implication in existing legislation as to some of these things.



Q. Would you admit that the C.B.C. is charged with these responsibilities?—

A. It might be a little unfair if I started to put the C.B.C. into a fixed position and perhaps their officials could reply to that question.

The CHAIRMAN: You could direct that question to Mr. Dunton when he returns before the committee.

*By Mr. Carter:*

Q. I am asking the witness whether he accepts that statement as representing the position? You do not interpret government policy as charging the C.B.C. specifically with these responsibilities?—A. I think there is a general implication in government policy with regard to some of these things.

Q. Can you be more specific in this case?—A. Scarcely, Mr. Carter. I am not responsible for government policy nor am I familiar with how the officials of the Canadian Broadcasting Corporation interpret it.

Q. That policy has been laid down and the C.B.C. has been charged with the responsibility for these matters. That is either a fact or it is not. Do you accept it as a fact?—A. No. Not in terms as precise and specific as you have made them. I certainly find nothing in any written or verbal statement by the government—though this may be due to my neglect—that charges the C.B.C. with those responsibilities in terms as precise and definite as that.

Q. Assuming that it is the fact that the C.B.C. is charged with these responsibilities, would you say that the C.B.C. could discharge them if they did not have some control over the private stations?—A. They could certainly discharge the responsibilities and functions which you have mentioned very efficiently and very thoroughly if the regulatory functions over the privately owned stations were exercised by an independent tribunal.

Q. What would be the difference, if it is a fact that it is government policy for Canada that we should have a national system, one single system made up of government stations on one hand and the private stations on the other each having a part to play with the major responsibility resting on the C.B.C., if the government gives some other body the responsibility to control or regulate or supervise the programs that emanate from the private stations? Somebody has to carry out that policy, so what difference would it make? Somebody has to control the private stations and see that the policy is carried out. Would it make very much difference whether that controlling body was the C.B.C. or an independent body such as you suggest?—A. It would make a great deal of difference. In so far as the general policy is concerned, the way it could work is this: if the policy of the government of Canada is laid down in the terms you have suggested there would be an easy means for the government of Canada to transmit its orders for the maintenance of that policy to any independent tribunal that existed and to indicate which parts of that policy it meant to apply to the Corporation and which part to the private stations, and the tribunal would discharge its functions within that framework of policy reference.

Q. If my assumption is correct there would not be much difference.  
—A. There would be a great deal of difference.

Q. You have not yet told me what it would be.—A. We were not dealing with the functions assigned either to the C.B.C. or to ourselves, which form no part of our case. We have not come here before the committee in order to complain of the exercise of its functions by the C.B.C. which has been placed in a position by legislation where it must discharge those functions whether it likes to or not. However, here is the situation that results: if you, as an individual, wish in certain cases to apply for a radio or a television broadcasting station licence in a particular city, first you will find yourself before the Board of Governors of the C.B.C. It is their recommendation that is considered

by the governor in council. It might happen that the C.B.C. owns and operates a station itself in that city, or it might contemplate the ownership and operation of such a station. I do not suggest that the findings of the Board of Governors in making its recommendations have been biased in this respect, but I do say that there is room for suspicion in the public mind. This element was emphatically pointed in the report of the MacQuarry Commission—that it is important that you obtain public support for the administration of an Act and for a corporation of this type.

Q. You say there is room for suspicion. Do you mean that there is suspicion in the public mind, or does the suspicion exist only among private operators?—A. I think it is very obvious Mr. Carter that the suspicion does in fact exist in other minds than those of the people connected with the private stations.

Q. Can you give us any evidence of that?—A. Yes, there are the various resolutions that have been presented to the Government of Canada from time to time by such bodies as the Canadian Chamber of Commerce, and I think that resolutions have been passed by other bodies such as Junior Chambers of Trade, Women's groups, Church groups and so on.

Mr. FLEMING: And by the young Liberals of Canada.

The WITNESS: Yes. Representations have also been made by some groups not unconnected with the political field. There has been considerable vigour shown in editorial comment in the daily and weekly press, in letters to the editor, speeches before public forums and so on from which it is obvious that these suspicions do exist in the minds of a great many thinking Canadians.

*By Mr. Carter:*

Q. Does not that stem from the fact that the present government policy is not understood or that the role and responsibilities of the C.B.C. are not clearly comprehended or that the relative positions of the C.B.C. and the private stations are not clearly understood by the general public?—A. It seems from the fact that the role is understood all too well. It stems from the fact that where anybody is placed in the awkward and incongruous position of being at the same time a party to a case and a judge in that case no matter how fair or objective he may be, in fact there will be room for suspicion, and suspicion does exist in the public mind when the regulating C.B.C. decides a case which involves the interests of the operating C.B.C.

Mr. FLEMING: If I may interrupt, with Mr. Carter's permission, to recall a particular example that was before us quite recently and which was not very far from Mr. Carter's immediate territorial interest... Do you recall, Mr. Allard, a case of an application of a would-be private broadcaster in Newfoundland for a television transmitting licence? The C.B.C. to whom that application was referred decided that it itself wanted the same channel for a precisely similar purpose, and while dealing with this application it made a recommendation to the Minister of Transport that the C.B.C. should have the channel, but if not, that the other applicant should. Do you not see that as a very striking example of this same antipathy in the conflicting positions in which the C.B.C. is now placed either by statute or by government policy or whatever you like to call it?—A. That is precisely the type of situation we have in mind and the point is that this situation in our view reflects unfairly upon the Corporation's other activities and functions. It may well be that the Corporation's findings were purely and entirely objective and that they sincerely believed that the best interests of the country would be served by a Corporation and not a privately owned station in St. John's. Newfoundland. But they were placed in the invidious position where the recommendation was in favour of themselves. Consequently it was bound to



arouse a degree of suspicion in the public mind. Indeed that suspicion was on that occasion so strong that the recommendation was not accepted by higher echelons.

*By Mr. Carter:*

Q. Would the situation have been any different, do you think, if that had gone to a separate regulatory body?—A. Obviously a separate regulatory body not being an operating body could not have recommended in favour of itself. It would have either found in favour of the Corporation or the private applicant and being in a completely neutral position it would not have been the subject of any suspicion. If, Mr. Carter, you and I are engaged in litigation no matter how badly we might feel about the decision of the judge sitting on the bench we would feel at least that we have had a fair hearing and received a neutral decision, but if I am the judge on that case and I find in favour of myself I suggest that there would be suspicion in your mind and in the minds of others that this was not a fair or equitable way to handle our difficulty.

Q. You will not admit then, Mr. Allard that the C.B.C. must make its finding in accordance with what it considers to be its responsibilities?—A. It may well be that what it honestly considers it to be its responsibilities—

Q. —are not its responsibilities? Is that what you were going to say?—A. —places it in a position where its findings will cause a wide degree of suspicion in the public mind, which is an invidious situation and it is this very situation we are suggesting would be cured by an independent regulatory tribunal.

Q. I don't see where the correction comes in there. If the responsibilities of the Canadian Broadcasting Corporation are a fact and if the responsibilities are greater in degree and in kind than the Canadian Broadcasting Corporation stations and if they have a responsibility to build up the national system and to determine what place private stations shall have in it as a supplementary service, surely they are the proper people. If they are charged with that responsibility surely they are the people to make the decision.

Mr. FLEMING: Why?

The WITNESS: I think myself, Mr. Carter, we are talking about two separate things.

Mr. FLEMING: They have conflicting responsibilities, that is the trouble.

*By Mr. Holowach:*

Q. You say on your summary on page 1, the third line from the bottom, "... and with like situations in every part of the democratic world, and so to create for Canadian broadcasting a regulatory structure based upon fundamental democratic principles," I would like to know if you would amplify what you mean. Do we understand that you say the present radio and television set-up in Canada is the only one of its kind in the recognized democratic country?—A. The set-up of it?

Q. The actual set-up we have in Canada of television and radio.—A. The present regulatory structure of Canadian broadcasting is, as far as we can find—and we have certainly sought diligently—the only one of its kind in the world. The closest parallel situation is in Australia who, as we pointed out earlier today, have privately owned stations and networks. There are government owned stations and networks, but the government stations do not exercise a regulatory function in relation to the privately owned stations. The regulatory function is exercised by a five-man board called the Australian Broadcasting Control Board, whose structure, functions and power are almost identical with our Board of Transport Commissioners.

Now, that is almost precisely the situation we advocate for Canada. You can, of course, find no parallel in the United Kingdom where until recently there has been but one radio broadcasting system and that on a non-commercial basis operated by the United Kingdom government. Nonetheless, the position in the United Kingdom was significantly different in this respect that the British Broadcasting Corporation was directly responsible to the Postmaster General who did exercise supervisory authority; in other words, we do not have the position where an operating body itself possesses supervisory authority over itself.

No like situation exists in Canada except in broadcasting. We have noted the instances of the railways and airlines in Canada where in both instances government corporations and non-government corporations exist side by side. The government corporations, however, do not exercise the regulatory functions. These are impartially and objectively exercised by an independent board or tribunal.

Q. In other words, Mr. Allard, you would say that the present set-up in Canada is quite singular as far as comparison with other areas in the world is concerned?—A. As far as we can find the present regulatory system of broadcasting in Canada is unique.

*By Mr. Richardson:*

Q. I would like to get some information. I don't recall, Mr. Chairman, how long Mr. Allard has been associated with the association which he represents here today.—A. I have been with the association, sir, since 1948.

Q. Seven years?—A. Roughly.

Q. I wonder if you would be helpful to me as a new member of the committee. In section 21 of the Canada Broadcasting Act it says:

"The corporation shall carry on a national broadcasting service within Canada."

What in a short sentence would be your interpretation of that?—A. A national broadcasting service, briefly, would be a service made up of a number of stations in various parts of Canada and connected by networks.

Q. And that is the full extent of your understanding of the phrase "national broadcasting"?—A. Yes, sir.

Q. I wonder then may I help myself and perhaps your association out. At the top of page 7 were you really strictly accurate when you say here, "Clearly they did not intend the board of governors to regulate for privately owned stations." How does one synchronize that statement with section 21 of the Act?—A. I think, Mr. Richardson, they are in no way inconsistent. What the framers of the Broadcasting Act visualized was a situation where there was a number of stations scattered across the country, all of these being owned and operated by a government owned corporation and connected by network and a board of governors supervising the functions of that national system, national in the sense that it was certainly not local and certainly not provincial.

Q. I am still at a loss to understand how you say it is a consistent statement that they did not intend the board of governors to regulate the privately owned stations and yet in section 21 they say the board may make regulations for that.

Mr. GOODE: When was 21 put in the statute?

Mr. RICHARDSON: 1936, I think.

The WITNESS: That would be four years after the original Broadcasting Act was passed in 1932. The situation at the time of the passage of the original Broadcasting Act was this: The Aird Commission had recommended the complete nationalization of broadcasting in Canada. They visualized a Canadian B.B.C. and nothing else. Those who framed the legislation obviously intended



to implement that report. The present situation, therefore, has come about by accident, not design. The legislation was intended to create one national system made up entirely of stations owned and operated by what has now become the Canadian Broadcasting Corporation and the board of governors was intended to be a citizen body, if you like, to supervise the activities of that corporation. However, as we point out, the public was not prepared to accept this recommendation and privately owned stations continued in existence. Various modifications were made to the Act but the basic anomaly still remains.

*By Mr. Richardson:*

Q. Reverting back to your answer in respect of the Newfoundland situation, in your experience of the past seven years that is one instance where it might be possible for some body or some group of people to suggest that there might be some suspicion. In your seven years' experience what other instance have you had?—A. It is obvious that there not only has been room for much wider suspicion than that but that the suspicion exists.

Q. Precisely, in what experience?—A. Well, in the broad field, Mr. Richardson, of regulations. The regulations drafted, interpreted and enforced by the Corporation discharging the function allocated to it under the Act apply to all privately owned broadcasting stations in Canada. There have been those who have suggested from time to time in the press and in public meetings—they might or might not be right and we make no point of it—that the regulations were designed to protect the competitive position of the Corporation. We do not put forward that charge but many have.

Q. But you are obviously here, if I may say so, and all of us, to get what information we can. I agree fully, I am sure, that what you have given us is very helpful and I ask you again in your experience of seven years what other experience have you specifically of the kind that was related a few minutes ago.—A. Oh, there have been a good many experiences where applications for broadcasting stations, both radio and television, were made in circumstances where a potential applicant, if licensed into business, would of necessity be a competitor with an existing Corporation station either located in the same city or nearby. Now we do not—and I stress this point—put forward the suggestion ourselves. We merely say that these instances have created a certain suspicion, a fair amount of suspicion constantly and consistently expressed and we would like to see a situation of equitable third party regulation, and recommendation on licensing and like matters that would enable the corporation as an operating body to receive that degree of support from the public free of these suspicions that we think the corporation is entitled to receive.

*By Mr. Knight:*

Q. Is there any other experience in your knowledge where an application for a licence by the C.B.C. was turned down other than the St. John's, Newfoundland, case?—A. I can think of none offhand, Mr. Knight.

*By Mr. Fleming:*

Q. I would remind you of a case nine years ago where the C.B.C. took away the channel of CFRB in Toronto who wished to continue to operate on that channel. There was no opportunity to refer to any independent body the relative claims of the C.B.C. on the one hand and CFRB on the other?—A. I understood Mr. Knight to be asking me if I recalled a recommendation of the C.B.C. being reversed, and I can think of none other than this one. In the case you mention the recommendation of the C.B.C. was not reversed.

The CHAIRMAN: If you have any questions, Mr. Knight—

*By Mr. Knight:*

Q. These suspicions in the public mind Mr. Allard mentioned, I must say I don't find any with my own particular public out west. Would you suggest perhaps, Mr. Allard, that some of these suspicions... have been promoted in the public mind by lobbies of various kinds.—A. I would not care to suggest that.

Q. It would not be any part of your function to suggest such a suspicion?—A. It is part of my function to answer questions when I am called upon to do so, but would not suggest that it goes so far as to create suspicion where none already existed.

Q. Is it not rather fortunate for you before this committee that you have no responsibility to answer any questions which it does not suit your purpose to answer, while the C.B.C. is in the unfortunate position that they have a certain responsibility here as a government corporation, and that we can pretty well insist on getting the facts out of them?

Mr. FLEMING: Mr. Chairman, on a point of order I think that question is open to objection.

The CHAIRMAN: What is your question of privilege?

Mr. FLEMING: I do not think that Mr. Knight intended it to be objectionable, but he has suggested very definitely that Mr. Allard answered such questions as suited his convenience. That is not fair. I do not think that Mr. Knight would wish to leave that impression on the record for all time. Mr. Allard has been a very willing witness and there is no question that he has been asked which he has not answered to the best of his ability. I do not think that Mr. Knight wishes to leave another impression on the record.

The CHAIRMAN: Mr. Allard said that he was supposed to be able, and permitted to answer questions asked him outside of this committee, not specifically in this committee. When he goes around and people ask him questions about the present set-up, he is then entitled to give his opinion.

Mr. FLEMING: Mr. Knight said that Mr. Allard, in appearing here today as a witness, answered such questions as suited his convenience and, inferentially, does not answer those which do not suit his convenience. That is not a fact and I do not think that Mr. Knight wishes to leave that impression on the record.

The CHAIRMAN: Mr. Allard is not obliged to answer any questions.

Mr. KNIGHT: That is exactly the point I made. Mr. Allard is in the fortunate position that he has no responsibility here to answer any questions.

The CHAIRMAN: Any witness coming here is not obliged to answer any questions if he deems it his duty not to answer, or considers that it is not convenient for him to answer, and we cannot force him to do so.

Mr. KNIGHT: That is right

Mr. FLEMING: We can send for any witness and compel him to answer.

The CHAIRMAN: Suppose he says that he does not know the answer.

Mr. FLEMING: Well, if he does not know, that is a different question.

*By Mr. Richard (Ottawa East):*

Q. I think what Mr. Knight really meant was that Mr. Allard is answering very well according to the information he has in hand. He is not hiding anything, but I think Mr. Knight meant that when we have the C.B.C. before us we are in the position to get all the books and information that we want. On the other hand Mr. Allard is not an operator. He represents an organization, but he cannot give detailed information which you can get from the operator himself.—A. That is correct.



*By Mr. Knight:*

Q. With respect to the matter of logs and the things I have been asking Mr. Allard about, Mr. Allard is in the fortunate position of saying that it is not his business to produce the logs.

Mr. GOODE: You look at these things differently at a quarter to ten at night than you do at ten o'clock in the morning.

*By Mr. Henry:*

Q. When did this business of suspicion first arise, in your opinion, in the minds of the public?—A. Shortly after the present regulatory structure came effectively into being.

Q. Would that be before you took over your present duties?—A. A great deal before then.

Q. What year would you say this suspicion began to arise?—A. If you want a definite year, I would imagine it was somewhere around 1934 or 1935.

Q. Would you term it very acute before you took over your present duties?—A. I do not think it has grown any more or less acute since I took over my present position.

Q. Did you take over from a predecessor?—A. Yes, and he in turn took over from a predecessor. The position has existed for a good many years.

Q. Did your immediate predecessor certify to you as to any appreciable degree of suspicion in the public mind on this subject?—A. You mean: did he inform me of this?

Q. Yes.—A. Certainly. He had available, as we have available, press clippings and other reports of what had been going on in the public mind in connection with this matter.

Q. Do you think that the Massey report was responsible? It is true there was a minority report, but do you think that the Massey report was responsible for sharpening the suspicion?—A. I would not use the word "sharpening"; it may have been instrumental in bringing some of the fundamental issues more closely into focus.

Q. Would you go so far as to say that this degree of suspicion is shared largely by the public today?—A. We certainly got that impression. I would suggest in connection with obtaining that impression you might care, in an objective fashion, to check, yourself, by way of a continuing press clipping service, and by way of consistent interviews with interested people, and by informing yourself of the various resolutions passed from time to time by various bodies interested in public affairs.

Q. Have you ever had occasion to observe any surveys or public research surveys on the subject?—A. Yes sir. We filed a very extensive survey on this subject at the 1951 hearing of this committee, and a somewhat briefer survey of the same type at the 1953 hearings.

Q. What percentage of the population of Canada do you say shares your suspicions?—A. You would find the exact percentage in the record of the proceedings in the 1951 and 1953 committees and I would rather refer you to the record than trust to my memory.

Q. Do you think it is shared by the majority of Canadians?—A. At least a majority.

Q. How do you relate that to the result of the 1949 and the 1953 elections?—A. This was not an election issue.

Q. This is the first time I ever heard that.

Mr. FLEMING: That is one more thing Mr. Henry can afford to look up. Perhaps he will be good enough to look at the records of each of the previous proceedings and he will see that the predecessors of Mr. Allard made the same submissions Mr. Allard is making here.

The WITNESS: This matter was definitely not an election issue in any way. But we ourselves would certainly be prepared, in the interests of getting an objective expression of public opinion, to have it made the subject matter of a referendum or plebescite.

Mr. HENRY: That would be a little costly.

Mr. FLEMING: Why not take the opinion of the Young Liberals or the National Liberal Federation to the extent that was permitted to be made public.

The CHAIRMAN: Is this your "safer" ground, Mr. Fleming?

Mr. FLEMING: That is perhaps something that has escaped Mr. Henry in the present calculations.

The CHAIRMAN: I do not think it has.

*By Mr. Carter:*

Q. Are any private sound broadcasting stations operating in Britain?—  
A. There are no privately owned radio broadcasting stations there but arrangements have been made for privately owned television broadcasting.

Q. No sound?—A. No, sir.

Q. You cited the B.B.C. as an example just now but that only means in Canada we decided to have a different policy. I would like to get back to this word "competitor". Would you think the word "partner" would be a better description of the role of the private stations with the C.B.C., with the C.B.C. as a senior partner?—A. No. But it is possible to be in a position where you are partially a partner and partially a competitor in varying degrees and that position frequently exists.

Mr. GOODE: Is it not true that where the C.B.C. have television no private station can go in, but where private stations are located the C.B.C. can certainly go in that territory?

The WITNESS: Yes, sir.

Mr. GOODE: There is competition.

The CHAIRMAN: We have ten minutes. Can we finish tonight?

Mr. DINSDALE: As I read the brief it seems to me that the appeal for an independent regulatory body is based on the desire for freer expression in publication, or it is an appeal to the freedom of publication based on a situation that has arisen as a result of changed circumstances described on page six of the brief:

Virtually all legislation pertaining to wireless communications is based upon broadcasting's development and position more than a quarter of a century ago—when this form of mass communication was in its infancy, when broadcasting's development and its present place in the community could not have been foreseen.

In other words, you are appealing for a revision in legislation which will bring the present broadcasting operation into line with the present circumstances and basing it on the fundamental basis of freedom of publication?

The WITNESS: Yes, sir. In line with today's realities which are governed by a situation not visualized by those who framed the legislation. I agree that you have substantially stated our case for us and I would add this proviso that what we are advocating is a situation long recognized as a democratic fundamental, that a difficulty between any two parties is settled by third party judgment.

Mr. FLEMING: Having regard to the fact that the C.B.C. has these dual functions now of carrying on the national service, an operating function, and at the same time the regulation of all forms of private broadcasting in Canada, do you not think that if the C.B.C. were relieved of the second function it would be free to do a better job on the first?



The WITNESS: Unquestionably, sir.

Mr. CARTER: Do you not think if there were two partners in a firm, a junior partner and a senior partner, that there should be a third party to come in to pass a judgment before they make a decision?

The WITNESS: That is not the situation which exists here. We are not partners in the same firm. We certainly have no share of authority in the conduct of the affairs of the Canadian Broadcasting Corporation.

*By Mr. Boisvert:*

Q. You were talking about suspicions on behalf of the public. Would you call "lobbying" suspicion? We have been lobbied for many many years about that proposition contained in the second part of your brief. Do you consider "lobbying" suspicion on behalf of the public?—A. Lobbying may be a reflection of existing suspicion, yes.

Q. I understand that we have already competition between operators. There is no doubt that the private stations have private interests which might be in competition with the C.B.C., but what about the public? Was not the first aim of broadcasting to sell goods to the public or to deliver programmes which would contain an entertainment for the public?—A. You could not, sir, do the one without the other.

Q. I feel that I can say at the very beginning there was no question of using broadcasting to sell goods. So, what is the position of the public, the viewers and the listeners to a programme?—A. Their position, Mr. Boisvert, is this—and might I first point out one thing: that there were in existence in Canada a number of broadcasting stations, as in other parts of the world, who were putting on the air programs of a type acceptable to the public, so that they might be instrumental in assisting the wider distribution of merchandise—for many years before the Aird commission was formed and before the present regulatory structure evolved from that. It is interesting to note in virtually every survey taken that commercial programmes command a higher degree of listener interest than most non-commercial programmes. This is an indication of the attitude of the public.

Q. I agree with you that the producers of programmes have found a good medium to sell their merchandise or their products, but it is not the first aim of broadcasting. It is difficult for me to reconcile the two situations. I think that we have to consider the public first and the advertiser on the second hand.—A. Of course, no part of our case depends upon the position of the advertiser. The competition referred to in this is not competition for business but competition for audience. Such competition would exist even in the rather theoretic, and I think unlikely situation, where privately owned stations were not in receipt of advertising revenue. The principle itself is unaltered. The competition for audience still exists.

Mr. KNIGHT: Mr. Allard, you stated in reply to Mr. Boisvert that you could not do one without the other—this is related to entertainment and selling goods and such—and your statement was that you could provide entertainment without doing the other which was selling goods. How could you explain the present set-up in that respect.

The WITNESS: I did not intend to leave that impression, but the reverse, that you could not assist in the sale of goods unless you provided first programmes acceptable to the public.

*By Mr. Richardson:*

Q. Nobody can operate a television or broadcasting station unless he, or the company, gets a licence from the Minister of Transport. Is that right?—A. That is right.

Q. So, from the point of view of initial operation it might well be that the Minister of Transport listens to the recommendation of the C.B.C., but the ultimate responsibility, as I understand it, is in the hands of the Minister of Transport who is responsible to the cabinet which is responsible to parliament which is responsible to the people of Canada. Right or wrong? Is that your understanding, or am I wrong?—A. Are you asking the chairman or myself?

Q. I am asking you through the chairman.—A. The ultimate responsibility in the Act is with the Minister designated, which currently is the Minister of Transport.

Q. If that is so he is the responsible party and he, my understanding is, is responsibility to the cabinet and the cabinet is responsible to parliament and parliament is responsible to the people of Canada. So you have in a sense, through the Minister of Transport, a regulatory body in the point of issue of the licence already, have you not?—A. No, sir, for two reasons; in the first place this is a long continuous chain which exists more in theory than in practice and secondly with the business of government as widespread and complex as it is today the power—

Q. You are telling us.—A. I am just leading up to this point, that it is generally recognized that the power to recommend is in fact the power to govern. No minister can possibly with the other responsibilities devolving upon him, examine into the facts of each case and this is why various types of administrative tribunals have been set up to inquire into facts and make a report.

Mr. FLEMING: I suggest Mr. Richardson have a good look at the Railway Act in regard to the Board of Transport Commissioners to get a good parallel, of the function of the Air Transport Board in relation to air transport.

Mr. RICHARDSON: The Canadian railways do not provide a free service to anybody.

Mr. FLEMING: What about the commercial revenue?

*By Mr. Holowach:*

Q. Mr. Chairman, I am sure you are aware that the C.B.C. operates a very important branch—the International Service of the C.B.C. which has a very vital function and it may be that as time goes on it will become a still more important function. I want to ask you, Mr. Allard, if you can visualize the stations operated by private interests being induced in certain circumstances into that field?—A. As a matter of fact that is actually the case in the United States where a very powerful international short-wave station is operated by private interests.

Q. By private interests?—A. Yes.

Q. Do they receive a subsidy from the government?—A. The particular station involved does not receive a subsidy from the government.

Q. Presumably it is a public service?—A. Definitely.

Q. And are they “in the red”?—A. Very definitely in the red. It is a completely non-commercial operation.

Mr. ROBICHAUD: It could not be made a practice?

The WITNESS: I doubt that it could be or that there would be any need for it to become a general practice. There are similar instances, by the way, in Europe where at least one station is operating to my knowledge supported entirely by voluntary contributions from North American citizens. This station is operated primarily and solely I think for the purpose of informing the people behind the Iron Curtain of what is happening in our part of the world.

Q. Where do these programs originate?—A. Some of them originate in Great Britain, some in France, the United States and similar countries; they are transported to the station for broadcast. Some of the programs originate at the station, but their number is comparatively few.

Q. Are the programs controlled by the government?—A. No sir.



*By Mr. Knight:*

Q. Did you say with regard to this station in the United States that the expenses are paid by the contributions sent to the station, or from the stations' funds?—A. The station in Europe is supported by voluntary contributions; the one in the United States is supported by corporation funds.

The CHAIRMAN: I think we have exhausted our questioning of Mr. Allard.

*By Mr. Knight:*

Q. There is one thing I would like to say, with regard to the question raised by Mr. Fleming. If Mr. Allard feels that I have given him any offence I want to apologize. I want him to understand that I have nothing against private stations. We have three very fine and efficient stations in my own town and I think they have a very useful function to perform, and I think they perform it well. This is simply a matter of policy, and I certainly meant no offence.—A. May I assure you Mr. Knight that I certainly took no offence and I am quite sure that none was intended.

The CHAIRMAN: I thank you Mr. Allard and Mr. Davidson and the other members of the delegation for your attendance here and I hope you have a very pleasant journey.

I would like to tell the committee that on Thursday we shall continue with the hearing of Mr. Dunton and then on Friday morning we have sitting given to Mr. Murdoch of the Musicians' Union. On Thursday afternoon there is a separate sitting for the Bell Telephone Company.

## APPENDIX "A"

1. List of Officers and Directors of The Canadian Association of Radio and Television Broadcasters.
2. List of Member Stations of The Canadian Association of Radio and Television Broadcasters.





## No. 1

OFFICERS AND DIRECTORS OF THE CANADIAN ASSOCIATION OF  
RADIO AND TELEVISION BROADCASTERS*President:* Mr. J. M. Davidson, Northern Broadcasting Co. Ltd., Toronto, Ont.*Vice President:* Mr. J. A. Dupont, CJAD, Montreal, P.Q.

## DIRECTORS

## ATLANTIC

Mr. F. A. Lynds  
Mr. John Hirtle  
Mr. George CromwellCKCW, Moncton, N.B. (Radio)  
CKBW, Bridgewater, N.S. (Radio)  
CHSJ-TV, St. John, N.B. (Television)

## FRENCH LANGUAGE

Mr. F. B. Ricard  
Mr. Henri Lepage  
Mr. D. A. Gourd  
Mr. Rene LapointeCHNO, Sudbury, Ont. (Radio)  
CHRC, Quebec, P.Q. (Television)  
Radio Nord Inc., Rouyn, P.Q. (Radio)  
CKBL, Matane, P.Q. (Radio)

## CENTRAL CANADA

Mr. W. Slatter  
Mr. J. E. Campeau  
Mr. W. T. Cruickshank  
Mr. J. M. Davidson  
Mr. J. A. DupontCJOY, Guelph, Ont. (Radio)  
CKYW-TV, Windsor, Ont. (Television)  
CKNX, Wingham, Ont. (Radio)  
Northern Broadcasting Co. Ltd., Toronto, Ont.  
CJAD, Montreal, P.Q. (Radio)

## PRAIRIES

Mr. Gerry Gaetz  
Mr. J. B. Craig  
Mr. H. A. Crittenden  
Mr. J. S. BoylingCJCA, Edmonton, Alta. (Radio)  
CKX, Brandon, Man. (Radio)  
CKCK-TV, Regina, Sask. (Television)  
CHAB, Moose Jaw, Sask. (Radio)

## PACIFIC

Mr. F. H. Elphicke  
Mr. M. P. FinnertyCKWX, Vancouver, B.C. (Radio)  
CKOK, Penticton, B.C. (Radio)

## No. 2

MEMBER STATIONS OF THE CANADIAN ASSOCIATION OF  
RADIO AND TELEVISION BROADCASTERS  
RADIO BROADCASTING SECTION

## ATLANTIC

CKBW, Bridgewater, N.S.  
CKNB, Campbellton, N.B.  
CFCY, Charlottetown, P.E.I.  
CFNB, Fredericton, N.B.  
CHNS, Halifax, N.S.  
CJCH, Halifax, N.S.  
CKCW, Moncton, N.B.  
CKMR, Newcastle, N.B.  
CKEC, New Glasgow, N.S.CJRW, Summerside, P.E.I.  
CHSJ, St. John, N.B.  
CFBC, St. John, N.B.  
CJON, St. John's, Nfld.  
VOCM, St. John's Nfld.  
CKCL, Truro, N.S.  
CFAB, Windsor, N.S.  
CKEN, Kentville, N.S.



## FRENCH LANGUAGE

CHAD, Amos, P.Q.  
 CJMT, Chicoutimi, P.Q.  
 CHFA, Edmonton, Alta.  
 CKCH, Hull, P.Q.  
 CHEF, Granby, P.Q.  
 CKRS, Jonquiere, P.Q.  
 CKLS, LaSarre, P.Q.  
 CKBL, Matane, P.Q.  
 CKBM, Montmagny, P.Q.  
 CHLP, Montreal, P.Q.  
 CKAC, Montreal, P.Q.  
 CHNC, New Carlisle, P.Q.  
 CHRC, Quebec, P.Q.

CKCV, Quebec, P.Q.  
 CJBR, Rimouski, P.Q.  
 CHRL, Roberval, P.Q.  
 CKRN, Rouyn, P.Q.  
 CJSO, Sorel, P.Q.  
 CKRB, St. Georges de Beauce, P.Q.  
 CFGT, St. Joseph D'Alma, P.Q.  
 CHNO, Sudbury, Ont.  
 CKLD, Thetford Mines, P.Q.  
 CFCL, Timmins, Ont.  
 CKVD, Val D'or, P.Q.  
 CFDA, Victoriaville, P.Q.  
 CKVM, Ville Marie, P.Q.

## CENTRAL CANADA

CKBB, Barrie, Ont.  
 CJBQ, Belleville, Ont.  
 CFJB, Brampton, Ont.  
 CKPC, Brantford, Ont.  
 CFCO, Chatham, Ont.  
 CKSF, Cornwall, Ont.  
 CFOB, Fort Frances, Ont.  
 CKPR, Fort William, Ont.  
 CKGR, Galt, Ont.  
 CJOY, Guelph, Ont.  
 CKOC, Hamilton, Ont.  
 CHML, Hamilton, Ont.  
 CJRL, Kenora, Ont.  
 CKLC, Kingston, Ont.  
 CKWS, Kingston, Ont.  
 CJKL, Kirkland Lake, Ont.  
 CKCR, Kitchener, Ont.  
 CFPL, London, Ont.  
 CJSP, Leamington, Ont.  
 CFCE, Montreal, P.Q.  
 CJAD, Montreal, P.Q.

CFCH, North Bay, Ont.  
 CFOR, Orillia, Ont.  
 CKLB, Oshawa, Ont.  
 CFOS, Owen Sound, Ont.  
 CHOV, Pembroke, Ont.  
 CHEX, Peterborough, Ont.  
 CFPA, Port Arthur, Ont.  
 CHOK, Sarnia, Ont.  
 CKCY, Sault Ste. Marie, Ont.  
 CKTB, St. Catharines, Ont.  
 CHLO, St. Thomas, Ont.  
 CJCS, Stratford, Ont.  
 CKOT, Tillsonburg, Ont.  
 CKGB, Timmins, Ont.  
 CFRB, Toronto, Ont.  
 CHUM, Toronto, Ont.  
 CKFH, Toronto, Ont.  
 CKLW, Windsor, Ont.  
 CKNX, Wingham, Ont.  
 CKOX, Woodstock, Ont.  
 CHNO, Sudbury, Ont.

## PRAIRIES

CKX Brandon, Man.  
 CFAC, Calgary, Alta.  
 CFCN, Calgary, Alta.  
 CKXL, Calgary, Alta.  
 CFCW, Camrose, Alta.  
 CKDM, Dauphin, Man.  
 CJOC, Lethbridge, Alta.  
 CHAT, Medicine Hat, Alta.  
 CHAB, Moose Jaw, Sask.  
 CJNB, North Battleford, Sask.  
 CKYL, Peace River, Alta.  
 CKBI, Prince Albert, Sask.  
 CKRD, Red Deer, Alta.

CKCK, Regina, Sask.  
 CFRN, Edmonton, Alta.  
 CHED, Edmonton, Alta.  
 CJCA, Edmonton, Alta.  
 CFAR, Flin Flon, Man.  
 CFGP, Grande Prairie, Alta.  
 CKRM, Regina, Sask.  
 CFQC, Saskatoon, Sask.  
 CKOM, Saskatoon, Sask.  
 CKRC, Winnipeg, Man.  
 CJOB, Winnipeg, Man.  
 CKY, Winnipeg, Man.  
 CJGX, Yorkton, Sask.



## PACIFIC

CHWK, Chilliwack, B.C.  
CJDC, Dawson Creek, B.C.  
CFJC, Kamloops, B.C.  
CKOV, Kelowna, B.C.  
CHUB, Nanaimo, B.C.  
CKLN, Nelson, B.C.  
CKNW, New Westminster, B.C.  
CKLG, North Vancouver, B.C.  
CKOK, Penticton, B.C.

CKPG, Prince George, B.C.  
CJAV, Port Alberni, B.C.  
CJAT, Trail, B.C.  
CJOR, Vancouver, B.C.  
CKWX, Vancouver, B.C.  
C-FUN, Vancouver, B.C.  
CJIB, Vernon, B.C.  
CKDA, Victoria, B.C.  
CJVI, Victoria, B.C.

## TELEVISION BROADCASTING SECTION

## ATLANTIC

CKCW-TV, Moncton, N.B.  
CHSJ-TV, St. John, N.B.

CJON-TV, St. John's, Nfld.  
CFCY-TV, Charlottetown, P.E.I.

## FRENCH LANGUAGE

CFCM-TV, Quebec, P.Q.  
CKRS-TV, Jonquiere, P.Q.

CJBR-TV, Rimouski, P.Q.

## CENTRAL CANADA

CKVR-TV, Barrie, Ont.  
CHCH-TV, Hamilton, Ont.  
CKWS-TV, Kingston, Ont.  
CKCO-TV, Kitchener, Ont.  
CFPL-TV, London, Ont.

CHEX-TV, Peterborough, Ont.  
CFPA-TV, Port Arthur, Ont.  
CKLW-TV, Windsor, Ont.  
CKNX-TV, Wingham, Ont.

## PRAIRIES

CKX-TV, Brandon, Man.  
CHCT-TV, Calgary, Alta.  
CFRN-TV, Edmonton, Alta.

CJOC-TV, Lethbridge, Alta.  
CKCK-TV, Regina, Sask.  
CFQC-TV, Saskatoon, Sask.



